

**AGENDA  
MEETING OF THE BOARD OF COMMISSIONERS  
HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT**

**DATE:** April 23, 2020

**TIME:** **Executive Closed Session 6:30 P.M.**  
**Regular Session 7:00 P.M.**

**PLACE:** Teleconference: (712) 432-0220, passcode 4430801#

**1. Call to Order Closed Session at 6:30 P.M.**

**2. Public Comment**

*Note: This portion of the Agenda allows the public to speak to the Board on the various issues not itemized on this Agenda. A member of the public may also request that a matter appearing on the Consent Calendar be pulled and discussed separately. Pursuant to the Brown Act, the Board may not take action on any item that does not appear on the Agenda. Each speaker is limited to speak for a period of three (3) minutes regarding each item on the Agenda. Each speaker is limited to speak for a period of three (3) minutes during the PUBLIC COMMENT portion of the Agenda regarding items of special interest to the public not appearing on the Agenda that are within the subject matter jurisdiction of the Board of Commissioners. The three (3) minute time limit may not be transferred to other speakers. The three (3) minute time limit for each speaker may be extended by the President of the Board of Commissioners or the Presiding Member of the Board of Commissioners at the regular meeting of the District. The three (3) minute time limit for each speaker may be enforced by the President of the Board of Commissioners or the Presiding Member of the Board of Commissioners at the regular meeting of the District.*

**3. Move to Executive Closed Session**

- a) CONFERENCE WITH REAL PROPERTY NEGOTIATORS. Terms of potential acquisition and/or lease of real property on the Samoa Peninsula, Humboldt County, with Assessor's Parcel Numbers, 401-112-021 and 401-112-024 California pursuant to California Government Code § 54956.8. District negotiators: Larry Oetker, Executive Director and Ryan Plotz, District Counsel. Negotiating party: California Marine Investments LLC. Under negotiation: price and payment terms.
- b) CONFERENCE WITH REAL PROPERTY NEGOTIATORS. Terms of potential acquisition and/or lease of real property in Fields Landing, Humboldt County, with Assessor's Parcel Numbers, 307-101-002 California pursuant to California Government Code § 54956.8. District negotiators: Larry Oetker, Executive Director and Ryan Plotz, District Counsel. Negotiating party: Tod Reincke. Under negotiation: price and payment terms.
- c) CONFERENCE WITH REAL PROPERTY NEGOTIATORS. Terms of potential purchase of real property with Assessor's Parcel Numbers 401-112-021, 401-031-061, 401-031-040, and 401-031-054 on the Samoa Peninsula, Humboldt County, California pursuant to California Government Code § 54956.8. District negotiators: Larry Oetker, Executive Director and Ryan Plotz, District Counsel. Negotiating party: Green Diamond Resource Company. Under negotiation: price and payment terms.

**4. Call to Order Regular Session at 7:00 P.M. and Roll Call**

**5. Pledge of Allegiance**

**6. Report on Executive Closed Session**

**7. Public Comment**

*Note: This portion of the Agenda allows the public to speak to the Board on the various issues not itemized on this Agenda. A member of the public may also request that a matter appearing on the Consent Calendar be pulled and discussed separately. Pursuant to the Brown Act, the Board may not take action on any item that does not appear on the Agenda. Each speaker is limited to speak for a period of three (3) minutes regarding each item on the Agenda. Each speaker is limited to speak for a period of three (3) minutes during the PUBLIC COMMENT portion of the Agenda regarding items of special interest to the public not appearing on the Agenda that are within the subject matter jurisdiction of the Board of Commissioners. The three (3) minute time limit may not be transferred*

## **Agenda for April 23, 2020 Regular Board Meeting**

to other speakers. The three (3) minute time limit for each speaker may be extended by the President of the Board of Commissioners or the Presiding Member of the Board of Commissioners at the regular meeting of the District. The three (3) minute time limit for each speaker may be enforced by the President of the Board of Commissioners or the Presiding Member of the Board of Commissioners at the regular meeting of the District.

### **8. Consent Calendar**

- a) Receive District Financial Reports for January 2020
- b) Receive District Financial Reports for February 2020
- c) Adopt Minutes for February 27, 2020 Regular Board Meeting
- d) Adopt Minutes for March 18, 2020 Special Board Meeting
- e) Adopt Minutes for March 31, 2020 Special Board Meeting
- f) Adopt Minutes for April 9, 2020 Special Board Meeting
- g) Approval of Permit and Agreement Renewal to Operate a Charter Service Business with Reef Twibell, dba Humboldt Sportfishing
- h) Approval of Permit and Agreement Renewal to Operate a Charter Service Business with Mike Stratman, dba Redwood Coast Fishing
- i) Approval of Permit and New Agreement to Operate a Charter Service Business with Micah Woolworth, dba Lost Coast Sportfishing
- j) Approval of Permit and New Agreement to Operate a Charter Service Business with Jeff Stackhouse, dba Stackhouse Guide Services
- k) Schedule a Special Board meeting on Thursday, May 14, 2020

### **9. Communications and Reports**

- a) Executive Director's Report
- b) Staff Reports
- c) District Counsel and District Treasurer Reports
- d) Commissioner and Committee Reports
- e) Others

### **10. Unfinished Business**

- a) **Receive Report and Receive Direction from the Board Regarding Districts Response to COVID-19. (Roll Call Vote)**

**Recommendation:** Staff recommends the Board: Receive a report and provide direction as necessary.

**Summary:** On March 11, 2020 Humboldt County Health Officer Teresa Francovich, MD declared a local health emergency. The Maritime Commerce and Commercial Fisheries are essential services. Staff will provide an update on the Harbor District operation and the Board will discuss and take action on items necessary to keep operations functioning during this emergency.

- b) **Consider Authorizing the Executive Director to Execute a Lease Agreement with Reincke Marine Fabrication to operate the Fields Landing Boat Yard (Roll Call Vote)**

**Recommendation:** Staff recommends the Board: Authorize the Executive Director to execute a lease agreement with Reincke Marine Fabrication.

**Summary:** In October 2019, the Board authorized the release of a request for proposals to lease the District's Fields Landing Boat Yard site operations. The District currently directly operates the boat yard as a do it yourself work yard. Customers have the option of either trailering in or having their vessel hauled out by the District's 150-ton mobile straddle travel lift. The Project operates under Coastal Development Permit 80-P-21 from the California Coastal Commission which allows haul outs from the existing finger piers, approximately seven (7) acre boat repair facility, including a wash down area, boat works areas, restrooms, parking area, travel ways, drainage systems, catch basin and office.

- c) **Receive an Update on the Subtidal and Intertidal Humboldt Bay Mariculture Pre-Permitting Projects**

Staff will provide an update on progress made and the future schedule for the Subtidal Humboldt Bay Mariculture Pre-Permitting Projects.

## **Agenda for April 23, 2020 Regular Board Meeting**

### **11. New Business**

#### **a) Accept the Audit Report for the 2018-2019 Fiscal Year**

*Recommendation:* Staff recommends the Board: Accept the Audit Report for the 2018-2019 Fiscal Year.

*Summary:* Independent auditors report prepared by Harshwal & Company LLP for the fiscal year ending June 30<sup>th</sup>, 2019. The Dredge Surcharge report was prepared by Mark Wetzel, the District Treasurer.

#### **b) Consider Authorizing Staff to Release a Request for Proposals for 2020 Woodley Island Marina Dredging**

*Recommendation:* Staff recommends the Board authorize staff to release a request for proposals for 2020 Woodley Island Marina dredging.

*Summary:* Severe storms in May 2019 resulted in the declaration of a federal emergency for Humboldt County and other areas. Due to the storms, there was 26,032 cubic yards (cy) more shoaling at Woodley Island Marina than in a typical year. In September-October 2019, the District conducted dredging at the marina. Due to the declared emergency, the Federal Emergency Management Agency (FEMA) and California Office of Emergency Services (CalOES) are reimbursing the District for the Woodley Island Marina portion of the 2019 dredging event. Additionally, FEMA/CalOES will fund the removal of 7,192 cy of material which must be removed from the marina in 2020 or the District will not be reimbursed.

#### **c) Consideration of Initial 2020-21 District Budget Preparation Schedule**

*Recommendation:* Staff recommends the Board Direct Staff to implement the proposed 2020-21 Budget Preparation Schedule.

*Summary:* The Budget is prepared annually under direction of the Executive Director. In accordance with CA Harbors and Navigation Code Section 6093, on or before June 15, the District Board shall estimate and determine the amount of money required by the harbor District and shall adopt a preliminary budget. Per Section 6093.3, the final budget shall be reported to the Board of Supervisors no later than August 1<sup>st</sup>.

### **12. Administrative and Emergency Permits**

#### **a) Administrative Permit A-2020-02 California Redwood Company Dock Repairs**

*Recommendation:* Staff recommends that the Board receive a report regarding issuance of Administrative Permit A-2020-02: California Redwood Company Dock Repairs.

*Summary:* California Redwood Company is proposing to repair damage that occurred to the California Redwood Company Dock. The project consists of repairing and replacing wooden and rusted dock material. The proposed work would not result in any addition to, enlargement or expansion of the dock structures. District staff determined that the project is exempt from the California Environmental Quality Act pursuant to a Class 1 Categorical Exemption (Section 15301 Existing Facilities), which exempts operation, repair, maintenance, permitting, leasing, licensing, or minor alteration of existing public or private structures, facilities, mechanical equipment, or topographical features, involving negligible or no expansion of the existing or former use. A Notice of Exemption will be filed with the County. District staff has issued Permit A-2020-02 for the Project.

### **13. Adjournment**

## HUMBOLDT BAY HARBOR, RECREATION, AND CONSERVATION DISTRICT

Monthly Cash Flow Analysis

For The Months Ended January 31, 2020 and December 31, 2019

	<u>1/31/20</u>	<u>12/31/19</u>
<b><u>Account Balances</u></b>		
Checking	\$ 38,723	\$ 90,165
Savings	52,452	13,916
Tariff	263	1,227
County Treasury	214,835	194,314
Cash on hand	1,280	1,280
<b>Total Cash</b>	<b>307,553</b>	<b>300,902</b>
Add: Accounts Receivable (less doubtful accounts)	495,220	502,817
Less: Accounts Payable	(179,080)	(204,438)
Available Cash and Receivables	<u>\$ 623,693</u>	<u>\$ 599,281</u>
<b><u>Change in Cash Balance</u></b>		
Balance, Beginning of Month	\$ 300,902	\$ 122,082
Monthly Deposits	246,158	748,797
Monthly Payments	(239,507)	(569,977)
Balance, End of Month	<u>\$ 307,553</u>	<u>\$ 300,902</u>
<b><u>Monthly Payments Summary</u></b>		
Significant/Unusual Expenses:		
Humboldt Bay Development Assoc lease payment	\$ 46,173	
BBVA bond and loan payment		\$ 234,425
Prepaid January health insurance		34,058
Figas Construction piling removal retainer		8,000
Pacific Affiliates services		11,000
CSDA annual membership fee		7,077
Annual State Water Quality Control Board disposal fee		21,679
Semi-annual property tax expense		11,505
Sub-total, Unusual Expenses	<u>46,173</u>	<u>327,744</u>
General operating expenses and other misc. expense	193,334	242,233
Total Cash Payments	<u>\$ 239,507</u>	<u>\$ 569,977</u>
<b><u>Monthly Deposits Summary</u></b>		
Significant/Unusual Revenues:		
Property taxes and interest income	\$ 20,521	\$ 549,320
Interest Payment on NMTC note receivable		40,187
Sub-total, Unusual Revenues	<u>20,521</u>	<u>589,507</u>
General revenues	225,637	\$ 159,290
Total Cash Receipts	<u>\$ 246,158</u>	<u>\$ 748,797</u>

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## Humboldt Bay Harbor, Recreation &amp; Conservation District

## Balance Sheet

04/16/20

As of January 31, 2020

Accrual Basis

Jan 31, 20

## ASSETS

## Current Assets

## Checking/Savings

10901 · RESTRICTED - COUNTY TREASURY	306,121.00
10600.1 · Cash in bank, Tariff BBVA	262.86
10700.1 · Cash in bank, Water BBVA	52,451.63
10200.1 · Cash in BBVA, Checking	25,286.34
10000 · PETTY CASH ON HAND	150.00
10100 · CHANGE FUND ON HAND	400.00
10111 · COIN MACHINE FUND	730.00
10200 · CASH IN BANK, CHECKING	13,284.56
10400 · CASH IN COUNTY - FUND 2720	184,431.96
10500 · CASH IN COUNTY - FUND 3872	30,403.20
10902 · RESTRICTED CASH OFFSET	-306,121.00

Total Checking/Savings 307,400.55

## Accounts Receivable

12000 · ACCTS RECEIVABLE 799,559.00

Total Accounts Receivable 799,559.00

## Other Current Assets

12600 · Note Receivable - NMTC	5,849,375.00
12100 · ALLOW FOR BAD DEBTS	-303,888.93
12200 · TAXES RECEIVABLE	49,820.61
12300 · INTEREST RECEIVABLE	15,586.61
12700 · PREPAID EXPENSES	36,903.11
12800 · LEASE RECEIVABLE	30,426.77
12900 · Accounts Receivable FSM	48.47
1499 · Undeposited Funds	151.50

Total Other Current Assets 5,678,423.14

Total Current Assets 6,785,382.69

## Fixed Assets

14900 · DOG RANCH PROPERTY 7,507.70

14800 · SHIPWRECK PROPERTY 45,088.05

## CAPITAL ASSETS, NET

16900 · Dredge	1,215,423.27
16800 · REDWOOD TERMINAL 2	2,613,169.43
16700 · AQUAPONICS PILOT FACILITY	96,036.61
16600 · TABLE BLUFF LIGHTHOUSE	361.44
16500 · HOMELAND SECURITY EQUIPMENT	2,254,007.60
16400 · REDWOOD DOCK PROPERTY	3,010,194.30
16100 · MARINA DREDGE, CONSTR IN PROGRES	139,687.95
16000 · KING SALMON	15,143.99
15900 · DREDGING COSTS	215,226.78
15800 · SHELTER COVE	2,386,247.10
15700 · FL BOAT BLDG & REPAIR FACILITY	4,302,259.53
15600 · MARINA	10,529,004.29
15500 · MARINA, RESTAURANT COMPLEX	34,100.00
15200 · OPERATING EQUIPMENT	314,098.74
15100 · OFFICE EQUIPMENT	193,303.88
15000 · AUTOMOTIVE EQUIPMENT	95,639.08
17000 · ACCUMULATED DEPRECIATION	-16,172,019.17

Total CAPITAL ASSETS, NET 11,241,884.82

Total Fixed Assets 11,294,480.57

## Other Assets

19000 · Deferred Outflows of PERS 290,427.00

Total Other Assets 290,427.00

**TOTAL ASSETS 18,370,290.26**

## Humboldt Bay Harbor, Recreation &amp; Conservation District

## Balance Sheet

04/16/20

As of January 31, 2020

Accrual Basis

Jan 31, 20

## LIABILITIES &amp; EQUITY

## Liabilities

## Current Liabilities

## Accounts Payable

20000 · ACCOUNTS PAYABLE

190,583.91

Total Accounts Payable

190,583.91

## Credit Cards

20112 · US Bank Visa

43.28

Total Credit Cards

43.28

## Other Current Liabilities

24002 · Groundlease Current Def Income

60,092.31

24000 · Ground Lease Deferred Income

3,906,000.00

## Payroll tax &amp; Withholding Liab

21900 · UNION DUES DEDUCTIBLE

3.00

21701 · PERS DEFERRED COMPENSATION

100.00

21700 · PERS RETIREMENT

17.03

21600 · PERS CARE/MEDICAL INSURANCE

5,110.44

21300 · STATE UNEMPLOYMENT TAX

1,330.47

2111 · \*DIRECT DEPOSIT LIABILITIES

-1,072.77

2100 · PAYROLL LIABILITIES

-28,893.17

Total Payroll tax &amp; Withholding Liab

-23,405.00

20100 · LEASE PAYABLE TO HBDA

18,113.00

20200 · NOTES PAYABLE

1,343,274.17

20400 · ACCRUED WAGES PAYABLE

15,456.92

20500 · ACCRUED INTEREST

42,988.46

20600 · ACCRUED VACATION PAYABLE

27,863.05

## 20800 · DEPOSITS ON HAND

20809 · HAUL OUT DEPOSIT

-1,080.00

20808 · WAIT LIST DEPOSIT

2,000.00

20801 · KEY DEPOSITS ON HAND

12,880.00

20802 · PLUG DEPOSITS ON HAND

920.00

20803 · SLIP DEPOSITS ON HAND

42,007.40

20804 · STORAGE DEPOSITS

3,540.65

20806 · LEASE SECURITY DEPOSIT

41,383.42

20807 · STORAGE DEPOSIT - REDWOOD DOCK

2,750.26

Total 20800 · DEPOSITS ON HAND

104,401.73

22000 · DEFERRED LEASE INCOME

75,908.65

28000 · DEFERRED INCOME

116,290.94

28500 · OTHER DEFERRED CREDITS

196,132.28

Total Other Current Liabilities

5,883,116.51

Total Current Liabilities

6,073,743.70

## Long Term Liabilities

24003 · Groundlease Current Offset

-60,092.31

24001 · Gound Lease Amortization

-234,099.23

27200 · Deferred Inflows of PERS

159,317.00

27000 · Net Pension Liability

921,868.00

25700 · BOND PAYABLE 2014 REFINANCING

2,400,035.12

25800 · BBVA Loan Payable

1,239,274.58

25600 · Note Payable-Coast Seafoods Co.

1,044,173.79

25500 · OPEB Liability

394,887.00

25200 · CONTRACTS PAYABLE

71,558.22

25900 · LESS CURRENT PORTION

-1,343,274.17

Total Long Term Liabilities

4,593,648.00

Total Liabilities

10,667,391.70

## Equity

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# Humboldt Bay Harbor, Recreation & Conservation District

04/16/20

## Balance Sheet

Accrual Basis

As of January 31, 2020

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	Jan 31, 20
<b>30500 · INVESTMENT IN FIXED ASSETS</b>	
30505 · Change In Invest Fixed Assets	151,914.22
30500 · INVESTMENT IN FIXED ASSETS - Other	9,134,021.36
<b>Total 30500 · INVESTMENT IN FIXED ASSETS</b>	<b>9,285,935.58</b>
<b>30900 · RESTRICTED FUND BALANCE</b>	<b>306,120.86</b>
<b>31200 · GENERAL FUND BALANCE</b>	
31205 · General Fund Invest Fixed Asset	-151,914.22
31000 · FUND BALANCE - TIDELANDS TRUST	-2,314,896.20
31200 · GENERAL FUND BALANCE - Other	449,281.64
<b>Total 31200 · GENERAL FUND BALANCE</b>	<b>-2,017,528.78</b>
<b>Net Income</b>	<b>128,370.90</b>
<b>Total Equity</b>	<b>7,702,898.56</b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b><u>18,370,290.26</u></b>

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## Humboldt Bay Harbor, Recreation & Conservation District Profit & Loss

04/16/20

July 2019 through January 2020

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Accrual Basis

	Jul '19 - Jan 20
<b>Ordinary Income/Expense</b>	
<b>Income</b>	
<b>Dredging Revenue</b>	
41318 · Dredging Surcharge - T	53,939.83
<b>Total Dredging Revenue</b>	53,939.83
<b>Float Replacement Account</b>	
41418 · Float Replacement	34,802.31
<b>Total Float Replacement Account</b>	34,802.31
<b>Harbor Surcharge</b>	
40908 · Harbor Improvement Surcharge-T	60,065.88
<b>Total Harbor Surcharge</b>	60,065.88
<b>Utility Surcharge</b>	
40409 · Utility Surcharge - NT	43,045.11
40418 · Utility Surcharge, Marina Dock	35,544.54
<b>Total Utility Surcharge</b>	78,589.65
<b>Grant Revenue</b>	
<b>Harbor Grants</b>	
45208.1 · Harbor Grants, Gov't - T	7,393.63
<b>Total Harbor Grants</b>	7,393.63
<b>Total Grant Revenue</b>	7,393.63
<b>Tax Revenue</b>	
43809 · TIMBER YIELD TAX GUAR G/NT	7,000.00
43609 · HOMEOWNERS EXEMPT G/NT	8,169.00
43509 · Property Tax Revenues	644,581.00
<b>Total Tax Revenue</b>	659,750.00
<b>Other Revenue</b>	
45909 · Other Revenue - NT	5,631.94
45908 · Other Revenue - T	585,572.81
<b>Total Other Revenue</b>	591,204.75
<b>Interest Revenue</b>	
43109 · Interest Income - NT	94,941.00
43108 · Interest Income - T	2,453.83
43318 · Interest On Del Accts - T	0.00
<b>Total Interest Revenue</b>	97,394.83
<b>Rent Income</b>	
41108 · Rents, Tidelands Leases - T	238,195.57
40318.1 · Transient Rentals - T	46,770.26
40519 · Equipment Rent - NT	1,612.50
40809 · Yard Rent - NT	27,716.89
41309 · Storage - NT	40,299.60
41409 · Upland Rent - NT	
41409.2 · Redwood Terminal 2 - NMTC	35,053.83
41409 · Upland Rent - NT - Other	373,179.40
<b>Total 41409 · Upland Rent - NT</b>	408,233.23
40218 · Slip Rents - T	252,588.63
<b>Total Rent Income</b>	1,015,416.68
<b>Fees</b>	
40108 · PERMITS-T	2,100.00
41818 · Late Charges/Interest - T	6,188.94
45608 · Chevron - Ports O&M - T	16,175.00



## Humboldt Bay Harbor, Recreation &amp; Conservation District

## Profit &amp; Loss

04/16/20

July 2019 through January 2020

Accrual Basis

	Jul '19 - Jan 20
41819 · Late Charges/Interest - NT	18,750.92
40509 · Travel Lift Fees - T	2,209.00
40609 · Haul Out Fees - T	30,210.70
41308.1 · Poundage - T	5,025.39
<b>Total Fees</b>	<b>80,659.95</b>
<b>Sales</b>	
40109 · Sales, Retail - NT	750.00
40119 · Concession Sales - NT	22,472.90
<b>Total Sales</b>	<b>23,222.90</b>
<b>Donations</b>	
46519 · Donations - Lighthouse	2.40
<b>Total Donations</b>	<b>2.40</b>
<b>Total Income</b>	<b>2,702,442.81</b>
<b>Gross Profit</b>	<b>2,702,442.81</b>
<b>Expense</b>	
66900 · Reconciliation Discrepancies	200.00
57018 · Bank Service Charges	1.35
<b>Personnel Expenses</b>	
<b>Salaries/Wages</b>	
50100 · Salaries & Wages - NT	448,084.52
50108 · Salaries & Wages - T	710.37
Salaries/Wages - Other	0.00
<b>Total Salaries/Wages</b>	<b>448,794.89</b>
<b>Payroll Burden</b>	
6560 · Workers' Comp	19,839.22
50500 · Payroll Benefits, Other - NT	226,524.43
50508 · Payroll Benefits, Other - T	65,591.11
50510 · PAYROLL BENEFITS M/A	10,218.11
<b>Total Payroll Burden</b>	<b>322,172.87</b>
<b>Commissioners Fees</b>	
50200 · Commissioner's Salaries - NT	10,290.00
50210 · COMMISSIONERS SALARIES M/A	4,410.00
<b>Total Commissioners Fees</b>	<b>14,700.00</b>
<b>Total Personnel Expenses</b>	<b>785,667.76</b>
<b>Advertising &amp; Promotion</b>	
51000 · Advertising & Promotion - NT	208.00
51018 · ADVERTISING & PROMOTION M/T	678.38
<b>Total Advertising &amp; Promotion</b>	<b>886.38</b>
<b>Communications</b>	
51400 · Communications - NT	11,815.43
51408 · Communications - T	2,347.92
<b>Total Communications</b>	<b>14,163.35</b>
<b>Conference &amp; Meetings</b>	
51500 · Conferences & Meetings - NT	15,281.47
51508 · Conferences & Meetings - T	1,166.56
<b>Total Conference &amp; Meetings</b>	<b>16,448.03</b>
<b>Dues, Subscriptions &amp; Licences</b>	
51600 · Dues & Subscriptions - NT	28,565.96
51608 · Dues & Subscriptions - T	265.00

## Humboldt Bay Harbor, Recreation &amp; Conservation District

## Profit &amp; Loss

04/16/20

July 2019 through January 2020

Accrual Basis

	Jul '19 - Jan 20
Total Dues, Subscriptions & Licences	28,830.96
<b>Elections &amp; Government Fees</b>	
51700 · Elections & Prop Tax Assess-NT	56,154.28
Total Elections & Government Fees	56,154.28
<b>Insurance</b>	
51800 · Insurance - NT	40,868.67
51808 · Insurance - T	6,348.64
Total Insurance	47,217.31
<b>Office Supplies</b>	
52100 · Outside Services - NT	16.13
51900 · Office Supplies - NT	15,957.59
51908 · Office Supplies - T	4,451.80
51918 · OFFICE EXPENSE M/T	271.80
Total Office Supplies	20,697.32
<b>Maintenance Supplies</b>	
52010 · Maintenance Supplies - NT	13,427.95
52008 · Maintenance Supplies - T	108.81
Total Maintenance Supplies	13,536.76
<b>Permits</b>	
51618 · Permits - T	24,827.00
51610 · Permits - NT	250.00
Total Permits	25,077.00
<b>Utilities</b>	
52909 · Utilities - NT	171,632.47
52918 · Utilities - T	22,663.08
53000 · Water, Sewer, & Refuse - NT	117,630.03
53008 · Water, Sewer, & Refuse - T	30,601.40
Total Utilities	342,526.98
<b>Fuel</b>	
50400 · IMPUTED AUTO VALUE G/A	588.00
51208 · Vessel Fuel	2,476.17
51218 · Automotive, Fuel - T	5,959.18
51200 · Automotive, Fuel- NT	5,946.91
Total Fuel	14,970.26
<b>Accounting/Auditing Services</b>	
52500 · Accounting Fees - T	13,529.25
52508 · Accounting Fees - NT	4,509.75
Total Accounting/Auditing Services	18,039.00
<b>Legal Services</b>	
52300 · Legal Fees - NT	9,673.24
52308 · Legal Fees - T	3,328.26
Total Legal Services	13,001.50
<b>Planning Services</b>	
52208 · Planning Fees - T	16,666.00
52200 · Planning Fees - NT	17,511.00
Total Planning Services	34,177.00
<b>Engineering Services</b>	
52400 · Engineering Fees - NT	25,565.64

## Humboldt Bay Harbor, Recreation &amp; Conservation District

## Profit &amp; Loss

04/16/20

July 2019 through January 2020

Accrual Basis

	Jul '19 - Jan 20
52408 · Engineering Fees - T	3,846.54
<b>Total Engineering Services</b>	<b>29,412.18</b>
<b>Other Professional/Outside Serv</b>	
52110 · OUTSIDE SERVICES M/A	1,354.92
52109 · Outside Services, Other - NT	3,011.93
52118 · Outside Services, Other - T	69,475.00
<b>Total Other Professional/Outside Serv</b>	<b>73,841.85</b>
<b>Small Tools</b>	
52800 · Small Tools - NT	609.42
52808 · Small Tools - T	475.38
<b>Total Small Tools</b>	<b>1,084.80</b>
<b>Maintenance - Facilities</b>	
52708 · Repairs & Maint, Facilities - T	82,135.95
52709 · REPAIRS & MAINTENANCE G/NT	551.92
52719 · Repairs & Maint, Facilities - N	16,805.84
<b>Total Maintenance - Facilities</b>	<b>99,493.71</b>
<b>Maintenance - Equipment</b>	
52718 · Repairs & Maint, Equip - T	3,992.65
52710 · Repairs & Maint, Equip - NT	10,441.56
51209 · Automotive, Repairs - NT	6,746.57
<b>Total Maintenance - Equipment</b>	<b>21,180.78</b>
<b>Maintenance - IT</b>	
57008 · Maintenance, IT Equip - T	2,252.01
57009 · Maintenance, IT Equip - NT	3,929.40
<b>Total Maintenance - IT</b>	<b>6,181.41</b>
<b>Dredging Expense</b>	
55608 · Dredging Expense - T	30,803.19
56708 · Dredging - GT	166,500.00
56718 · Dredging - MT	465,330.00
<b>Total Dredging Expense</b>	<b>662,633.19</b>
<b>Rent Expense</b>	
54308 · Redwood Terminal 2 Lease Expens	88,148.63
<b>Total Rent Expense</b>	<b>88,148.63</b>
<b>Interest Expense</b>	
55119 · INTEREST EXPENSE M/NT	22,937.00
55109 · Interest Expense - NT	46,922.44
55108 · Interest Expense - T	65,285.79
<b>Total Interest Expense</b>	<b>135,145.23</b>
<b>Other Expenses</b>	
55419 · Other Expenses - NT	383.47
<b>Total Other Expenses</b>	<b>383.47</b>
<b>Grant Expenses</b>	
<b>Harbor Grant Expenses</b>	
54408.1 · Harbor Grant Exp	335.00
<b>Total Harbor Grant Expenses</b>	<b>335.00</b>
<b>Conservation Grant Expenses</b>	
54408.3 · Conservation Grant Exp	21,270.00
<b>Total Conservation Grant Expenses</b>	<b>21,270.00</b>

# Humboldt Bay Harbor, Recreation & Conservation District

## Profit & Loss

July 2019 through January 2020

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	Jul '19 - Jan 20
Total Grant Expenses	21,605.00
Bad Debts	
51308 · Bad Debts - T	3,366.42
Total Bad Debts	3,366.42
Total Expense	2,574,071.91
Net Ordinary Income	128,370.90
Net Income	<u>128,370.90</u>

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**Humboldt Bay Harbor, Recreation & Conservation District  
Account QuickReport**

04/16/20

Accrual Basis

As of January 31, 2020

Type	Date	Num	Name	Memo	Amount
<b>10200.1 - Cash in BBVA, Checking</b>					
Liability Check	01/09/2020		QuickBooks Payroll Service	Created by Payroll Service on 01/08/...	-19,118.50
Liability Check	01/23/2020		QuickBooks Payroll Service	Created by Payroll Service on 01/22/...	-20,583.66
Liability Check	01/23/2020		QuickBooks Payroll Service	Created by Payroll Service on 01/22/...	-1,204.15
Check	01/15/2020			Service Charge	-186.21
Liability Check	01/10/2020	EFT	PERS Unfunded Accrued Liab	2233447024	-4,024.82
Liability Check	01/10/2020	EFT	CalPERS 457 Program	450348	-950.00
Bill Pmt -Check	01/10/2020	EFT	CalPERS 457 Program	457Match 01/10/2020	-300.00
Liability Check	01/10/2020	EFT	State Disbursement Unit	0230000067964	-233.53
Liability Check	01/10/2020	EFT	PERS Unfunded Accrued Liab	2233447024 OOC RJ	-7.03
Liability Check	01/16/2020	EFT	Employment Development Department	499-0307-3 Balance of UI Due for Q4...	-17.96
Bill Pmt -Check	01/24/2020	EFT	CalPERS 457 Program	457Match 01/24/2020	-300.00
Liability Check	01/24/2020	EFT	PERS Unfunded Accrued Liab	2233447024	-4,024.82
Liability Check	01/24/2020	EFT	CalPERS 457 Program	450348	-950.00
Bill Pmt -Check	01/24/2020	EFT	PERS Unfunded Accrued Liab	2233447024	-5,033.55
Liability Check	01/24/2020	EFT	PERS Unfunded Accrued Liab	2233447024 Adam Wagschal Retro ...	-80.19
Liability Check	01/24/2020	EFT	State Disbursement Unit	0230000067964	-233.53
Liability Check	01/08/2020	E-pay	Employment Development Department	499-0307-3 QB Tracking # -1675574...	-1,222.04
Liability Check	01/08/2020	E-pay	Tri Counties Bank	94-2262845 QB Tracking # -1675491...	-3,212.48
Liability Check	01/14/2020	E-pay	Employment Development Department	499-0307-3 QB Tracking # 17505156...	-147.61
Liability Check	01/22/2020	E-pay	Employment Development Department	499-0307-3 QB Tracking # 541322438	-1,236.87
Liability Check	01/22/2020	E-pay	Tri Counties Bank	94-2262845 QB Tracking # 541427438	-3,243.80
Bill Pmt -Check	01/03/2020	Wire Xfer	Humboldt Bay Development Association	RMT2 Lease Pymt Q4 2019	-46,173.00
Bill Pmt -Check	01/07/2020	59871	101Netlink	WIM & FL	-270.00
Bill Pmt -Check	01/07/2020	59872	ACWA JPIA	February 2020	-34,058.36
Bill Pmt -Check	01/07/2020	59873	Campton Electric Supply	RMT 2	-57.90
Bill Pmt -Check	01/07/2020	59874	City of Eureka	WIM	-15,016.91
Bill Pmt -Check	01/07/2020	59875	Coastal Business Systems, Inc.	WIM Copier Lease 12/20/19 - 01/20/...	-268.22
Bill Pmt -Check	01/07/2020	59876	Fastenal Company	WIM Weldment	-169.36
Bill Pmt -Check	01/07/2020	59877	ICF Jones & Stokes, Inc.		-10,845.00
Bill Pmt -Check	01/07/2020	59878	Mikkelsen, Chris	Lightbulbs for WIM	-21.70
Bill Pmt -Check	01/07/2020	59879	Nylex.net	Hard Drive for Server	-427.50
Bill Pmt -Check	01/07/2020	59880	Pintermedia LLC		-60.00
Bill Pmt -Check	01/07/2020	59881	Recology Eel River	061097997	-402.17
Bill Pmt -Check	01/07/2020	59882	Recology Humboldt County	A0000265	-995.73
Bill Pmt -Check	01/07/2020	59883	Rogers Machinery Co.		-657.28
Bill Pmt -Check	01/07/2020	59884	Recology Humboldt County	A0000265	-651.06
Bill Pmt -Check	01/07/2020	59885	Recology Humboldt County	A0000265	-251.68
Bill Pmt -Check	01/07/2020	59886	Recology Humboldt County	A0000265	-651.06
Bill Pmt -Check	01/07/2020	59887	Recology Humboldt County	A0000265	-23.31
Bill Pmt -Check	01/07/2020	59888	Recology Humboldt County	A0000265	-15.69
Bill Pmt -Check	01/07/2020	59889	Recology Humboldt County	A0000265	-49.35
Bill Pmt -Check	01/07/2020	59890	Recology Humboldt County	A0000265	-651.06
Bill Pmt -Check	01/07/2020	59891	Eureka Oxygen Company		-678.21
Bill Pmt -Check	01/07/2020	59892	Pacific Gas & Electric (8259-4) address	0074698259-4	-8,523.84
Bill Pmt -Check	01/07/2020	59893	Pacific Gas & Electric (3494-4)	6598073494-4	-39.78
Bill Pmt -Check	01/07/2020	59894	Pacific Gas & Electric (Non-Energy)	2072047	-337.61
Liability Check	01/10/2020	59896	Employment Development Department	1713957888 Robert M Tatian	-26.62
Bill Pmt -Check	01/10/2020	59897	Advanced Security Systems	WIM	-184.50
Bill Pmt -Check	01/10/2020	59898	AT&T Phone	707 443-0801 071 7	-545.89
Bill Pmt -Check	01/10/2020	59899	Campton Electric Supply	Embarcadero Lighting - WIM	-23.85
Bill Pmt -Check	01/10/2020	59900	David L. Moonie & Company	November 2019	-1,200.00
Bill Pmt -Check	01/10/2020	59901	Eureka Oxygen Company	Cylinder Rental	-187.28
Bill Pmt -Check	01/10/2020	59902	Humboldt Bay Municipal Water Dist.		-768.11
Bill Pmt -Check	01/10/2020	59903	Mill Yard, The	Split rail by weather station	-34.93
Bill Pmt -Check	01/10/2020	59904	Napa Auto Parts		-437.64
Bill Pmt -Check	01/10/2020	59905	Pierson Building Center	1297	-301.90
Bill Pmt -Check	01/10/2020	59906	Security Lock & Alarm	White dodge dakota camper keys	-25.00
Bill Pmt -Check	01/10/2020	59907	SHN Consulting Engineers & Geologists		-1,598.45
Bill Pmt -Check	01/10/2020	59908	Southwest Answering Service		-187.70
Bill Pmt -Check	01/10/2020	59909	Tehama Tire	FLBY Travel Lift Tires, PO 3:	-1,925.30
Bill Pmt -Check	01/10/2020	59910	Times-Standard, Tri-City Weekly	FL RFP	-151.98
Bill Pmt -Check	01/10/2020	59911	U S Bank Corporate Payment System	4246044555706765	-5,015.13
Bill Pmt -Check	01/10/2020	59912	Valley Pacific Petroleum Services, Inc	114137	-795.36
Bill Pmt -Check	01/10/2020	59913	Eureka Sea Grill	Employee Appreciation Dinner PO #1...	-2,796.46
Bill Pmt -Check	01/14/2020	59914	California Redwood Co.	Red Tank 11/18/19 - 12/17/19	-437.04
Bill Pmt -Check	01/14/2020	59915	Pintermedia LLC	Grants-Safety Committee (Domain N...	-95.00
Bill Pmt -Check	01/14/2020	59916	Valley Pacific Petroleum Services, Inc	114137	-71.98
Bill Pmt -Check	01/14/2020	59917	Verizon Wireless		-76.20
Bill Pmt -Check	01/14/2020	59918	Pacific Gas & Electric (1906-4)	Acct #0670491906-4	-2,673.61
Bill Pmt -Check	01/14/2020	59919	Verizon Wireless		-380.53
Check	01/10/2020	59920	Tatian, Robert M	4184442382	-100.00
Bill Pmt -Check	01/24/2020	59922	American Textile & Supply, Inc.	Fields Landing SWPP	-1,516.21
Bill Pmt -Check	01/24/2020	59923	BT Metal Sales and Fabrication	WIM	-39.10
Bill Pmt -Check	01/24/2020	59924	Coast Seafood Co.	January 2020 Interest and Principal p...	-13,000.00
Bill Pmt -Check	01/24/2020	59925	Don's Rent-All	7197	-312.48
Bill Pmt -Check	01/24/2020	59926	Englund Marine Supply	Safety Equip - Bar Fly	-127.42
Bill Pmt -Check	01/24/2020	59927	High Rock Conservation Camp	WIM, RMT 2	-1,000.00

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04/16/20

### Humboldt Bay Harbor, Recreation & Conservation District Account QuickReport

Accrual Basis

As of January 31, 2020

Type	Date	Num	Name	Memo	Amount
Bill Pmt -Check	01/24/2020	59928	Humboldt Fasteners		-295.48
Bill Pmt -Check	01/24/2020	59929	Humboldt No. 1 Fire Protection District		-132.00
Bill Pmt -Check	01/24/2020	59930	Mendes Supply Company	2705	-261.87
Bill Pmt -Check	01/24/2020	59931	North Coast Laboratories, LTD	FL Stormwater	-205.00
Bill Pmt -Check	01/24/2020	59932	Razursharp	HUMBOLBOX	-75.75
Bill Pmt -Check	01/24/2020	59933	Recology Eel River	061097997	-402.17
Bill Pmt -Check	01/24/2020	59934	Recology Humboldt County	A0000265	-865.84
Bill Pmt -Check	01/24/2020	59935	Shafer's Ace Hardware	1586	-100.79
Bill Pmt -Check	01/24/2020	59936	Shelter Cove Resort Improvement District	SC	-65.97
Bill Pmt -Check	01/24/2020	59937	Staples Credit Plan	6035 5178 1247 5530	-169.18
Bill Pmt -Check	01/24/2020	59938	The Mitchell Law Firm, LLP		-2,384.50
Bill Pmt -Check	01/24/2020	59939	Vit, Daniel	Test Backflow Devices FL	-300.00
Bill Pmt -Check	01/24/2020	59940	Western Chainsaw		-178.85
Bill Pmt -Check	01/24/2020	59941	World Oil Enviromental Services	WIM	-65.00
Bill Pmt -Check	01/24/2020	59942	Recology Humboldt County	A0000265	-1,302.12
Bill Pmt -Check	01/24/2020	59943	Recology Humboldt County	A0000265	-733.29
Bill Pmt -Check	01/24/2020	59944	Recology Humboldt County	A0000265	-251.68
Bill Pmt -Check	01/24/2020	59945	AT&T Internet	831-000-8571 571	-933.88
Bill Pmt -Check	01/24/2020	59946	Interstate Battery	RMT 2 security lights	-54.23
Bill Pmt -Check	01/24/2020	59947	Recology Humboldt County	A0000265	-976.36
Bill Pmt -Check	01/24/2020	59948	Advanced Security Systems	WIM - Fire Alarm System	-95.00
Bill Pmt -Check	01/24/2020	59949	Mr. Rooter Plumbing	Hydro Scrub	-587.06
Bill Pmt -Check	01/24/2020	59950	Recology Humboldt County	A0000265	-33.07
Total 10200.1 - Cash in BBVA, Checking					-234,111.29
<b>TOTAL</b>					<b>-234,111.29</b>

## HUMBOLDT BAY HARBOR, RECREATION, AND CONSERVATION DISTRICT

Monthly Cash Flow Analysis

For The Months Ended February 29, 2020 and January 31, 2020

	<u>2/29/20</u>	<u>1/31/20</u>
<b><u>Account Balances</u></b>		
Checking	\$ 32,912	\$ 38,571
Savings	6,323	52,452
Tariff	227	263
County Treasury	163,835	214,835
Cash on hand	5,416	1,432
<b>Total Cash</b>	<b><u>208,713</u></b>	<b><u>307,553</u></b>
Add: Accounts Receivable (less doubtful accounts)	502,426	495,220
Less: Accounts Payable	(148,926)	(179,080)
Available Cash and Receivables	<u>\$ 562,213</u>	<u>\$ 623,693</u>
<b><u>Change in Cash Balance</u></b>		
Balance, Beginning of Month	\$ 307,553	\$ 300,902
Monthly Deposits	192,989	246,158
Monthly Payments	(291,829)	(239,507)
Balance, End of Month	<u>\$ 208,713</u>	<u>\$ 307,553</u>
<b><u>Monthly Payments Summary</u></b>		
Significant/Unusual Expenses:		
Humboldt Bay Development Assoc lease payment	\$ 50,649	\$ 46,173
Annual ACWA dues	14,740	
Sub-total, Unusual Expenses	<u>65,389</u>	<u>46,173</u>
General operating expenses and other misc. expense	226,440	193,334
Total Cash Payments	<u>\$ 291,829</u>	<u>\$ 239,507</u>
<b><u>Monthly Deposits Summary</u></b>		
Significant/Unusual Revenues:		
Property taxes and interest income		\$ 20,521
Sub-total, Unusual Revenues	-	<u>20,521</u>
General revenues	192,989	\$ 225,637
Total Cash Receipts	<u>\$ 192,989</u>	<u>\$ 246,158</u>

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## Humboldt Bay Harbor, Recreation &amp; Conservation District

## Balance Sheet

As of February 29, 2020

04/16/20

Accrual Basis

Feb 29, 20

## ASSETS

## Current Assets

## Checking/Savings

10901 · RESTRICTED - COUNTY TREASURY	207,433.00
10600.1 · Cash in bank, Tariff BBVA	226.78
10700.1 · Cash in bank, Water BBVA	6,323.18
10200.1 · Cash in BBVA, Checking	27,516.58
10000 · PETTY CASH ON HAND	150.00
10100 · CHANGE FUND ON HAND	400.00
10111 · COIN MACHINE FUND	730.00
10200 · CASH IN BANK, CHECKING	5,395.33
10400 · CASH IN COUNTY - FUND 2720	133,431.96
10500 · CASH IN COUNTY - FUND 3872	30,403.20
10902 · RESTRICTED CASH OFFSET	-207,433.00

Total Checking/Savings 204,577.03

## Accounts Receivable

12000 · ACCTS RECEIVABLE 806,266.55

Total Accounts Receivable 806,266.55

## Other Current Assets

12600 · Note Receivable - NMTC	5,849,375.00
12100 · ALLOW FOR BAD DEBTS	-303,888.93
12200 · TAXES RECEIVABLE	141,195.61
12300 · INTEREST RECEIVABLE	29,499.61
12700 · PREPAID EXPENSES	29,733.62
12800 · LEASE RECEIVABLE	33,182.72
12900 · Accounts Receivable FSM	48.47
1499 · Undeposited Funds	4,136.30

Total Other Current Assets 5,783,282.40

Total Current Assets 6,794,125.98

## Fixed Assets

14900 · DOG RANCH PROPERTY 7,507.70

14800 · SHIPWRECK PROPERTY 45,088.05

## CAPITAL ASSETS, NET

16900 · Dredge	1,215,423.27
16800 · REDWOOD TERMINAL 2	2,613,169.43
16700 · AQUAPONICS PILOT FACILITY	96,036.61
16600 · TABLE BLUFF LIGHTHOUSE	361.44
16500 · HOMELAND SECURITY EQUIPMENT	2,254,007.60
16400 · REDWOOD DOCK PROPERTY	3,010,194.30
16100 · MARINA DREDGE, CONSTR IN PROGRES	139,687.95
16000 · KING SALMON	15,143.99
15900 · DREDGING COSTS	215,226.78
15800 · SHELTER COVE	2,386,247.10
15700 · FL BOAT BLDG & REPAIR FACILITY	4,302,259.53
15600 · MARINA	10,529,004.29
15500 · MARINA, RESTAURANT COMPLEX	34,100.00
15200 · OPERATING EQUIPMENT	314,098.74
15100 · OFFICE EQUIPMENT	193,303.88
15000 · AUTOMOTIVE EQUIPMENT	95,639.08
17000 · ACCUMULATED DEPRECIATION	-16,172,019.17

Total CAPITAL ASSETS, NET 11,241,884.82

Total Fixed Assets 11,294,480.57

## Other Assets

19000 · Deferred Outflows of PERS 290,427.00

Total Other Assets 290,427.00

**TOTAL ASSETS 18,379,033.55**



## Humboldt Bay Harbor, Recreation &amp; Conservation District

## Balance Sheet

04/16/20

As of February 29, 2020

Accrual Basis

Feb 29, 20

## LIABILITIES &amp; EQUITY

## Liabilities

## Current Liabilities

## Accounts Payable

20000 · ACCOUNTS PAYABLE

153,875.61

Total Accounts Payable

153,875.61

## Other Current Liabilities

24002 · Groundlease Current Def Income

60,092.31

24000 · Ground Lease Deferred Income

3,906,000.00

## Payroll tax &amp; Withholding Liab

21900 · UNION DUES DEDUCTIBLE

3.00

21701 · PERS DEFERRED COMPENSATION

100.00

21700 · PERS RETIREMENT

17.03

21600 · PERS CARE/MEDICAL INSURANCE

9,728.12

21300 · STATE UNEMPLOYMENT TAX

2,026.40

2111 · \*DIRECT DEPOSIT LIABILITIES

-1,072.77

2100 · PAYROLL LIABILITIES

-26,241.82

Total Payroll tax &amp; Withholding Liab

-15,440.04

20100 · LEASE PAYABLE TO HBDA

-15,899.00

20200 · NOTES PAYABLE

1,343,274.17

20400 · ACCRUED WAGES PAYABLE

15,456.92

20500 · ACCRUED INTEREST

58,176.46

20600 · ACCRUED VACATION PAYABLE

27,863.05

20800 · DEPOSITS ON HAND

20809 · HAUL OUT DEPOSIT

-1,080.00

20808 · WAIT LIST DEPOSIT

1,900.00

20801 · KEY DEPOSITS ON HAND

12,920.00

20802 · PLUG DEPOSITS ON HAND

920.00

20803 · SLIP DEPOSITS ON HAND

42,376.96

20804 · STORAGE DEPOSITS

3,540.65

20806 · LEASE SECURITY DEPOSIT

41,383.42

20807 · STORAGE DEPOSIT - REDWOOD DOCK

2,750.26

Total 20800 · DEPOSITS ON HAND

104,711.29

22000 · DEFERRED LEASE INCOME

57,575.11

28000 · DEFERRED INCOME

116,290.94

28500 · OTHER DEFERRED CREDITS

723,523.92

Total Other Current Liabilities

6,381,625.13

Total Current Liabilities

6,535,500.74

## Long Term Liabilities

24003 · Groundlease Current Offset

-60,092.31

24001 · Gound Lease Amortization

-239,106.92

27200 · Deferred Inflows of PERS

159,317.00

27000 · Net Pension Liability

921,868.00

25700 · BOND PAYABLE 2014 REFINANCING

2,400,035.12

25800 · BBVA Loan Payable

1,239,274.58

25600 · Note Payable-Coast Seafoods Co.

1,034,502.29

25500 · OPEB Liability

394,887.00

25200 · CONTRACTS PAYABLE

71,558.22

25900 · LESS CURRENT PORTION

-1,343,274.17

Total Long Term Liabilities

4,578,968.81

Total Liabilities

11,114,469.55

## Equity

30500 · INVESTMENT IN FIXED ASSETS

30505 · Change In Invest Fixed Assets

151,914.22

30500 · INVESTMENT IN FIXED ASSETS - Other

9,134,021.36

Humboldt Bay Harbor, Recreation & Conservation District

Balance Sheet

As of February 29, 2020

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	Feb 29, 20
Total 30500 · INVESTMENT IN FIXED ASSETS	9,285,935.58
30900 · RESTRICTED FUND BALANCE	306,120.86
31200 · GENERAL FUND BALANCE	
31205 · General Fund Invest Fixed Asset	-151,914.22
31000 · FUND BALANCE - TIDELANDS TRUST	-2,314,896.20
31200 · GENERAL FUND BALANCE - Other	449,281.64
Total 31200 · GENERAL FUND BALANCE	-2,017,528.78
Net Income	-309,963.66
Total Equity	7,264,564.00
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>18,379,033.55</b>

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**Humboldt Bay Harbor, Recreation & Conservation District**

**Profit & Loss**

04/16/20

July 2019 through February 2020

Accrual Basis

	Jul '19 - Feb 20
<b>Ordinary Income/Expense</b>	
<b>Income</b>	
Discount	56.32
<b>Dredging Revenue</b>	
41318 · Dredging Surcharge - T	61,062.13
<b>Total Dredging Revenue</b>	61,062.13
<b>Float Replacement Account</b>	
41418 · Float Replacement	39,312.10
<b>Total Float Replacement Account</b>	39,312.10
<b>Harbor Surcharge</b>	
40908 · Harbor Improvement Surcharge-T	78,146.53
<b>Total Harbor Surcharge</b>	78,146.53
<b>Utility Surcharge</b>	
40409 · Utility Surcharge - NT	47,214.70
40418 · Utility Surcharge, Marina Dock	36,561.56
<b>Total Utility Surcharge</b>	83,776.26
<b>Grant Revenue</b>	
<b>Harbor Grants</b>	
45208.1 · Harbor Grants, Gov't - T	16,211.83
<b>Total Harbor Grants</b>	16,211.83
<b>Total Grant Revenue</b>	16,211.83
<b>Tax Revenue</b>	
43809 · TIMBER YIELD TAX GUAR G/NT	8,000.00
43609 · HOMEOWNERS EXEMPT G/NT	9,336.00
43509 · Property Tax Revenues	733,789.00
<b>Total Tax Revenue</b>	751,125.00
<b>Other Revenue</b>	
45909 · Other Revenue - NT	5,631.94
45908 · Other Revenue - T	58,268.17
<b>Total Other Revenue</b>	63,900.11
<b>Interest Revenue</b>	
43109 · Interest Income - NT	108,504.10
43108 · Interest Income - T	2,804.36
43318 · Interest On Del Accts - T	0.00
<b>Total Interest Revenue</b>	111,308.46
<b>Rent Income</b>	
41108 · Rents, Tidelands Leases - T	265,547.93
40318.1 · Transient Rentals - T	45,781.91
40519 · Equipment Rent - NT	2,357.50
40809 · Yard Rent - NT	32,318.66
41309 · Storage - NT	44,324.34
41409 · Upland Rent - NT	
41409.2 · Redwood Terminal 2 - NMTC	40,061.52
41409 · Upland Rent - NT - Other	446,450.73
<b>Total 41409 · Upland Rent - NT</b>	486,512.25
40218 · Slip Rents - T	290,887.51
<b>Total Rent Income</b>	1,167,730.10
<b>Fees</b>	
40108 · PERMITS-T	2,100.00
41818 · Late Charges/Interest - T	7,163.94

## Humboldt Bay Harbor, Recreation &amp; Conservation District

## Profit &amp; Loss

04/16/20

July 2019 through February 2020

Accrual Basis

	Jul '19 - Feb 20
45608 · Chevron - Ports O&M - T	16,175.00
41819 · Late Charges/Interest - NT	19,075.92
40509 · Travel Lift Fees - T	2,209.00
40609 · Haul Out Fees - T	31,306.30
41308.1 · Poundage - T	5,025.39
<b>Total Fees</b>	<b>83,055.55</b>
<b>Sales</b>	
40109 · Sales, Retail - NT	750.00
40119 · Concession Sales - NT	22,875.90
<b>Total Sales</b>	<b>23,625.90</b>
<b>Donations</b>	
46519 · Donations - Lighthouse	7.40
<b>Total Donations</b>	<b>7.40</b>
<b>Total Income</b>	<b>2,479,317.69</b>
<b>Gross Profit</b>	<b>2,479,317.69</b>
<b>Expense</b>	
66900 · Reconciliation Discrepancies	200.00
57018 · Bank Service Charges	1.35
<b>Personnel Expenses</b>	
<b>Salaries/Wages</b>	
50100 · Salaries & Wages - NT	504,980.14
50108 · Salaries & Wages - T	811.49
Salaries/Wages - Other	0.00
<b>Total Salaries/Wages</b>	<b>505,791.63</b>
<b>Payroll Burden</b>	
6560 · Workers' Comp	22,543.32
50500 · Payroll Benefits, Other - NT	259,441.32
50508 · Payroll Benefits, Other - T	74,917.52
50510 · PAYROLL BENEFITS M/A	11,677.84
<b>Total Payroll Burden</b>	<b>368,580.00</b>
<b>Commissioners Fees</b>	
50200 · Commissioner's Salaries - NT	11,760.00
50210 · COMMISSIONERS SALARIES M/A	5,040.00
<b>Total Commissioners Fees</b>	<b>16,800.00</b>
<b>Total Personnel Expenses</b>	<b>891,171.63</b>
<b>Advertising &amp; Promotion</b>	
51000 · Advertising & Promotion - NT	1,124.94
51008 · Advertising & Promotion - T	105.71
51018 · ADVERTISING & PROMOTION M/T	678.38
<b>Total Advertising &amp; Promotion</b>	<b>1,909.03</b>
<b>Communications</b>	
51400 · Communications - NT	13,677.98
51408 · Communications - T	2,763.09
<b>Total Communications</b>	<b>16,441.07</b>
<b>Conference &amp; Meetings</b>	
51500 · Conferences & Meetings - NT	16,505.64
51508 · Conferences & Meetings - T	4,206.56
<b>Total Conference &amp; Meetings</b>	<b>20,712.20</b>
<b>Dues, Subscriptions &amp; Licences</b>	
51600 · Dues & Subscriptions - NT	33,561.12

## Humboldt Bay Harbor, Recreation &amp; Conservation District

## Profit &amp; Loss

04/16/20

July 2019 through February 2020

Accrual Basis

	Jul '19 - Feb 20
51608 · Dues & Subscriptions - T	367.50
<b>Total Dues, Subscriptions &amp; Licences</b>	<b>33,928.62</b>
<b>Elections &amp; Government Fees</b>	
51700 · Elections & Prop Tax Assess-NT	62,940.38
<b>Total Elections &amp; Government Fees</b>	<b>62,940.38</b>
<b>Insurance</b>	
51800 · Insurance - NT	47,482.49
51808 · Insurance - T	7,404.31
<b>Total Insurance</b>	<b>54,886.80</b>
<b>Office Supplies</b>	
52100 · Outside Services - NT	16.13
51900 · Office Supplies - NT	20,611.21
51908 · Office Supplies - T	6,686.71
51918 · OFFICE EXPENSE M/T	307.95
<b>Total Office Supplies</b>	<b>27,622.00</b>
<b>Maintenance Supplies</b>	
53209 · SHELTER COVE OPER EXP G/NT	-340.00
53200 · SHELTER COVE OPER EXP G/A	-1,455.00
52010 · Maintenance Supplies - NT	14,803.63
52008 · Maintenance Supplies - T	108.81
<b>Total Maintenance Supplies</b>	<b>13,117.44</b>
<b>Permits</b>	
51618 · Permits - T	24,979.12
51610 · Permits - NT	250.00
<b>Total Permits</b>	<b>25,229.12</b>
<b>Utilities</b>	
52909 · Utilities - NT	179,507.32
52918 · Utilities - T	25,941.07
53000 · Water, Sewer, & Refuse - NT	130,464.39
53008 · Water, Sewer, & Refuse - T	37,525.77
<b>Total Utilities</b>	<b>373,438.55</b>
<b>Fuel</b>	
50400 · IMPUTED AUTO VALUE G/A	666.40
51208 · Vessel Fuel	2,756.11
51218 · Automotive, Fuel - T	6,392.28
51200 · Automotive, Fuel- NT	6,301.62
<b>Total Fuel</b>	<b>16,116.41</b>
<b>Accounting/Auditing Services</b>	
52500 · Accounting Fees - T	17,332.50
52508 · Accounting Fees - NT	5,777.50
<b>Total Accounting/Auditing Services</b>	<b>23,110.00</b>
<b>Legal Services</b>	
52300 · Legal Fees - NT	11,853.87
52308 · Legal Fees - T	4,055.13
<b>Total Legal Services</b>	<b>15,909.00</b>
<b>Planning Services</b>	
52208 · Planning Fees - T	17,675.00
52200 · Planning Fees - NT	18,215.00

## Humboldt Bay Harbor, Recreation &amp; Conservation District

## Profit &amp; Loss

04/16/20

July 2019 through February 2020

Accrual Basis

	Jul '19 - Feb 20
Total Planning Services	35,890.00
Engineering Services	
52400 · Engineering Fees - NT	26,153.14
52408 · Engineering Fees - T	3,846.54
Total Engineering Services	29,999.68
Other Professional/Outside Serv	
52110 · OUTSIDE SERVICES M/A	1,512.62
52109 · Outside Services, Other - NT	5,261.93
52118 · Outside Services, Other - T	70,075.00
Total Other Professional/Outside Serv	76,849.55
Small Tools	
52800 · Small Tools - NT	609.42
52808 · Small Tools - T	475.38
Total Small Tools	1,084.80
Maintenance - Facilities	
52708 · Repairs & Maint, Facilities - T	87,691.60
52709 · REPAIRS & MAINTENANCE G/NT	1,890.32
52719 · Repairs & Maint, Facilities - N	19,210.46
Total Maintenance - Facilities	108,792.38
Maintenance - Equipment	
52718 · Repairs & Maint, Equip - T	5,511.19
52710 · Repairs & Maint, Equip - NT	10,892.35
51209 · Automotive, Repairs - NT	7,083.37
Total Maintenance - Equipment	23,486.91
Maintenance - IT	
57008 · Maintenance, IT Equip - T	2,377.01
57009 · Maintenance, IT Equip - NT	4,486.62
Total Maintenance - IT	6,863.63
Dredging Expense	
55608 · Dredging Expense - T	30,803.19
56708 · Dredging - GT	166,500.00
56718 · Dredging - MT	465,330.00
Total Dredging Expense	662,633.19
Rent Expense	
54308 · Redwood Terminal 2 Lease Expens	105,717.40
Total Rent Expense	105,717.40
Interest Expense	
55119 · INTEREST EXPENSE M/NT	26,176.00
55109 · Interest Expense - NT	53,576.75
55108 · Interest Expense - T	74,081.29
Total Interest Expense	153,834.04
Other Expenses	
55419 · Other Expenses - NT	388.68
Total Other Expenses	388.68
Grant Expenses	
Harbor Grant Expenses	
54408.1 · Harbor Grant Exp	365.00
Total Harbor Grant Expenses	365.00
Recreation Grant Expenses	

# Humboldt Bay Harbor, Recreation & Conservation District

## Profit & Loss

July 2019 through February 2020

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	Jul '19 - Feb 20
54408.2 · Recreation Grant Exp	-17,993.93
<b>Total Recreation Grant Expenses</b>	<b>-17,993.93</b>
<b>Conservation Grant Expenses</b>	
54408.3 · Conservation Grant Exp	21,270.00
<b>Total Conservation Grant Expenses</b>	<b>21,270.00</b>
<b>Total Grant Expenses</b>	<b>3,641.07</b>
<b>Bad Debts</b>	
51308 · Bad Debts - T	3,366.42
<b>Total Bad Debts</b>	<b>3,366.42</b>
<b>Total Expense</b>	<b>2,789,281.35</b>
<b>Net Ordinary Income</b>	<b>-309,963.66</b>
<b>Net Income</b>	<b><u>-309,963.66</u></b>

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**Humboldt Bay Harbor, Recreation & Conservation District  
Account QuickReport**

04/16/20

Accrual Basis

As of February 29, 2020

Type	Date	Num	Name	Memo	Amount
<b>10200.1 - Cash in BBVA, Checking</b>					
Liability Check	02/06/2020		QuickBooks Payroll Service	Created by Payroll Service on 02/05/...	-18,309.11
Liability Check	02/20/2020		QuickBooks Payroll Service	Created by Payroll Service on 02/19/...	-1,930.10
Liability Check	02/20/2020		QuickBooks Payroll Service	Created by Payroll Service on 02/19/...	-18,135.31
Bill Pmt -Check	02/20/2020		Campton Electric Supply	QuickBooks generated zero amount t...	0.00
Check	02/18/2020			Service Charge	-172.31
Bill Pmt -Check	02/07/2020	EFT	CalPERS 457 Program	457Match 02/07/2020	-300.00
Liability Check	02/07/2020	EFT	CalPERS 457 Program	450348	-950.00
Liability Check	02/07/2020	EFT	PERS Unfunded Accrued Liab	2233447024	-4,051.24
Liability Check	02/07/2020	EFT	State Disbursement Unit	0230000067964	-233.53
Bill Pmt -Check	02/21/2020	EFT	PERS Unfunded Accrued Liab	2233447024	-5,033.55
Bill Pmt -Check	02/21/2020	EFT	CalPERS 457 Program	457Match 02/21/2020	-300.00
Liability Check	02/21/2020	EFT	CalPERS 457 Program	450348	-950.00
Liability Check	02/21/2020	EFT	PERS Unfunded Accrued Liab	2233447024	-4,051.24
Liability Check	02/21/2020	EFT	State Disbursement Unit	0230000067964	-233.53
Liability Check	02/05/2020	E-pay	Employment Development Department	499-0307-3 QB Tracking # -1954255...	-1,247.34
Liability Check	02/05/2020	E-pay	Tri Counties Bank	94-2262845 QB Tracking # -1954228...	-2,966.76
Liability Check	02/19/2020	E-pay	Employment Development Department	499-0307-3 QB Tracking # -1491001...	-1,243.14
Liability Check	02/19/2020	E-pay	Tri Counties Bank	94-2262845 QB Tracking # -1490973...	-3,198.46
Bill Pmt -Check	02/24/2020	Wire	Humboldt Bay Development Association	RMT2 Q1 2020 Lease Pymt	-50,649.00
Bill Pmt -Check	02/07/2020	59953	Alquist Lumber Co.	RMT2	-9.13
Bill Pmt -Check	02/07/2020	59954	B & B Portable Toilets	RWD	-174.72
Bill Pmt -Check	02/07/2020	59955	California Redwood Co.	Red Tank 12/18/19 - 01/16/20	-650.63
Bill Pmt -Check	02/07/2020	59956	Coastal Business Systems, Inc.	WIM Copier Lease 01/20-02/20/2020	-268.22
Bill Pmt -Check	02/07/2020	59957	Coldwell Banker Commerical PacificPart...		-7,652.78
Bill Pmt -Check	02/07/2020	59958	Fastenal Company	RMT2	-25.09
Bill Pmt -Check	02/07/2020	59959	Humboldt Bay Municipal Water Dist.		-135.75
Bill Pmt -Check	02/07/2020	59960	Humboldt Bay Solar Fund LLC	December 2019	-4,436.29
Bill Pmt -Check	02/07/2020	59961	Humboldt Community Services District	3165	-320.16
Bill Pmt -Check	02/07/2020	59962	ICF Jones & Stokes, Inc.	Professional Services 11/30 - 12/31/2...	-11,998.75
Bill Pmt -Check	02/07/2020	59963	Matthews Paints		-130.20
Bill Pmt -Check	02/07/2020	59964	Mendes Supply Company	2705	-71.27
Bill Pmt -Check	02/07/2020	59965	Pacific Gas & Electric (Non-Energy)	2072047	-387.29
Bill Pmt -Check	02/07/2020	59966	Razursharp	HUMBOLBOX	-21.68
Bill Pmt -Check	02/07/2020	59967	Schmidbauer Building Supply	WIM Dock Repairs	-57.64
Bill Pmt -Check	02/07/2020	59968	State Water Resource Control Board	WIM 07/01/19-06/30/20. Facility ID ...	-449.00
Bill Pmt -Check	02/07/2020	59969	Tony Gosselin & Sons		-145.17
Bill Pmt -Check	02/07/2020	59970	CA Dept of Tax and Fee Administration	47-084568	-349.00
Bill Pmt -Check	02/07/2020	59971	Oregon State Marine Board	Bar Fly Title	-75.00
Bill Pmt -Check	02/07/2020	59972	Oregon State Marine Board	Title for Work Skiff (Frankenstein)	-75.00
Bill Pmt -Check	02/07/2020	59973	Humboldt Community Services District	3165	-18.00
Bill Pmt -Check	02/07/2020	59974	Campton Electric Supply	RMT2	-126.46
Bill Pmt -Check	02/07/2020	59975	Matthew Bender & Co., Inc.	Harbor & Nav Code	-278.96
Bill Pmt -Check	02/07/2020	59977	Standard Insurance Company	ST 908447 0001	-189.60
Bill Pmt -Check	02/07/2020	59978	State Water Resource Control Board	FL: TRAV 07/01/19-06/30/20. Facilit...	-1,299.00
Bill Pmt -Check	02/07/2020	59979	Pierson Building Center	1297	-736.83
Bill Pmt -Check	02/07/2020	59980	Humboldt Bay Municipal Water Dist.	9002.001 RMT2	-618.36
Bill Pmt -Check	02/07/2020	59981	Association of California Water Agencies	2020 Annual Agency Dues	-14,740.00
Bill Pmt -Check	02/07/2020	59982	City of Eureka	WIM	-13,869.61
Bill Pmt -Check	02/07/2020	59983	Humboldt County-Environmental Health	RMT2 Hazmat Fee	-1,734.35
Bill Pmt -Check	02/07/2020	59984	Independent Business Forms, Inc.	365250	-375.99
Bill Pmt -Check	02/07/2020	59985	Mendes Supply Company	2705	-71.27
Bill Pmt -Check	02/07/2020	59986	Mission Uniform & Linen	299313	-65.10
Bill Pmt -Check	02/07/2020	59987	Pacific Gas & Electric (8259-4) address	0074698259-4	-9,142.53
Bill Pmt -Check	02/07/2020	59988	Pintermedia LLC		-60.00
Bill Pmt -Check	02/07/2020	59989	Razursharp	HUMBOLBOX	-49.88
Bill Pmt -Check	02/07/2020	59990	SHN Consulting Engineers & Geologists		-4,124.20
Bill Pmt -Check	02/07/2020	59991	Zerlang and Zerlang Marine Services	19' Marlin, sunken vessel transport	-2,634.00
Bill Pmt -Check	02/07/2020	59992	Pacific Gas & Electric (3494-4)	6598073494-4	-133.39
Bill Pmt -Check	02/07/2020	59993	AT&T Phone	707 443-0801 071 7	-537.90
Bill Pmt -Check	02/13/2020	59994	Napa Auto Parts		-171.39
Bill Pmt -Check	02/13/2020	59995	Pacific Gas & Electric (1906-4)	Acct #0670491906-4	-2,738.95
Bill Pmt -Check	02/13/2020	59996	Verizon Wireless		-380.53
Bill Pmt -Check	02/13/2020	59997	Verizon Wireless		-132.96
Bill Pmt -Check	02/21/2020	60000	An Electrician Inc	RMT 2, PO# 1520	-900.00
Bill Pmt -Check	02/21/2020	60001	Redwood Electrical Services	WIM "I" Dock	-362.18
Bill Pmt -Check	02/21/2020	60002	Southwest Answering Service		-157.70
Bill Pmt -Check	02/21/2020	60003	Times-Standard, Tri-City Weekly	Newspaper Subscription	-211.42
Bill Pmt -Check	02/21/2020	60004	U S Bank Corporate Payment System	4246044555706765	-2,453.52
Check	02/21/2020	60005	Berberich, David	Tenant Refund	-163.80
Bill Pmt -Check	02/21/2020	60006	ACWA JPIA	March 2020	-31,970.44
Bill Pmt -Check	02/28/2020	60007	101Netlink	WIM & FL	-270.00
Bill Pmt -Check	02/28/2020	60008	AT&T Internet	831-000-8571 571	-933.88
Bill Pmt -Check	02/28/2020	60009	B & B Portable Toilets	RWD	-105.78
Bill Pmt -Check	02/28/2020	60010	Coast Seafood Co.	February 2020 Interest and Principal ...	-13,000.00
Bill Pmt -Check	02/28/2020	60011	Coastal Business Systems, Inc.		-4,190.11
Bill Pmt -Check	02/28/2020	60012	Costco Wholesale Membership	Membership Dues	-120.00
Bill Pmt -Check	02/28/2020	60013	Cruise The West	2020 Cruise the West Membership Fee	-3,000.00



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04/16/20

## Humboldt Bay Harbor, Recreation & Conservation District Account QuickReport

Accrual Basis

As of February 29, 2020

Type	Date	Num	Name	Memo	Amount
Bill Pmt -Check	02/28/2020	60014	David L. Moonie & Company	November 2019	-2,955.00
Bill Pmt -Check	02/28/2020	60015	Englund Marine Supply		-785.43
Bill Pmt -Check	02/28/2020	60016	Eureka Oxygen Company	Cylinder Rental	-187.28
Bill Pmt -Check	02/28/2020	60017	Fastenal Company	C Dock Repairs - WIM	-10.08
Bill Pmt -Check	02/28/2020	60018	High Rock Conservation Camp	RMT 1 (PO #1535)	-700.00
Bill Pmt -Check	02/28/2020	60019	Humboldt Bay Solar Fund LLC	January 2020	-5,140.44
Bill Pmt -Check	02/28/2020	60020	Humboldt Community Services District	3165	-349.92
Bill Pmt -Check	02/28/2020	60021	Humboldt County Tax Collector	DEF170001111 401-112-024-000 Py...	-1,394.16
Bill Pmt -Check	02/28/2020	60022	Humboldt Waste Management Authority		-61.27
Bill Pmt -Check	02/28/2020	60023	Mission Uniform & Linen	299313	-784.04
Bill Pmt -Check	02/28/2020	60024	Northern California Safety Consortium	Hazwoper Training: Robert T. & Max ...	-1,090.00
Bill Pmt -Check	02/28/2020	60025	Nylex.net	Wifi Repairs, QB share drive	-370.37
Bill Pmt -Check	02/28/2020	60026	Recology Eel River	061097997	-402.17
Bill Pmt -Check	02/28/2020	60027	Recology Humboldt County	A0000265	-865.84
Bill Pmt -Check	02/28/2020	60028	Shafer's Ace Hardware	1586	-347.20
Bill Pmt -Check	02/28/2020	60029	Shelter Cove Fishing Preservation Inc		-8,333.32
Bill Pmt -Check	02/28/2020	60030	Shelter Cove Resort Improvement District	SC	-66.82
Bill Pmt -Check	02/28/2020	60031	Staples Credit Plan	6035 5178 1247 5530	-42.29
Bill Pmt -Check	02/28/2020	60032	State Water Resource Control Board	Red Tank Dock 10/01/19-12/31/19. ...	-152.12
Bill Pmt -Check	02/28/2020	60033	The Mitchell Law Firm, LLP		-1,791.00
Bill Pmt -Check	02/28/2020	60034	Thrifty Supply		-387.20
Bill Pmt -Check	02/28/2020	60035	Valley Pacific Petroleum Services, Inc	114137	-873.41
Bill Pmt -Check	02/28/2020	60036	Recology Humboldt County	A0000265	-651.06
Bill Pmt -Check	02/28/2020	60037	Standard Insurance Company	ST 908447 0001	-189.60
Bill Pmt -Check	02/28/2020	60038	Recology Humboldt County	A0000265	-651.06
Bill Pmt -Check	02/28/2020	60039	Recology Humboldt County	A0000265	-706.35
Bill Pmt -Check	02/28/2020	60040	Recology Humboldt County	A0000265	-251.68
Bill Pmt -Check	02/28/2020	60041	Recology Humboldt County	A0000265	-995.05
Bill Pmt -Check	02/28/2020	60042	Recology Humboldt County	A0000265	-278.96
Total 10200.1 - Cash in BBVA, Checking					-284,268.60
<b>TOTAL</b>					<b>-284,268.60</b>

**DRAFT MINUTES  
MEETING OF THE BOARD OF COMMISSIONERS  
HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT**

**February 27, 2020**

The Humboldt Bay Harbor, Recreation and Conservation District met in regular session on the above date at 7:00 P.M. Open Session, at the Woodley Island Marina Meeting Room, 601 Startare Drive, Eureka, CA 95501.

**CLOSED SESSION – 6:00 P.M.**

The Commission met in closed session to discuss the following items:

- a) CONFERENCE WITH REAL PROPERTY NEGOTIATORS. Terms of potential purchase of real property with Assessor's Parcel Numbers 002-162-001, 002-161-001, 002-162-018, 014-161- 013, 014-161-014, and 014-161-006, and 014-161-007 in the Eureka, Humboldt County, California pursuant to California Government Code § 54956.8. District negotiators: Larry Oetker, Executive Director and Ryan Plotz, District Counsel. Negotiating party: Ted Loring. Under negotiation: price and payment terms.
- b) CONFERENCE WITH LEGAL COUNSEL--EXISTING LITIGATION. (Paragraph (1) of subdivision (d) of Section 54956.9): Name of case: Humboldt Bay Harbor, Recreation and Conservation District v. Glasshouse Gardens, LLC, Humboldt Superior Court Case No. CV1901283.
- c) CONFERENCE WITH LEGAL COUNSEL—EXISTING LITIGATION. (Paragraph (1) of subdivision (d) of Section 54956.9): Name of case: Humboldt Fisherman's Marketing Association, Inc. et al. v. Humboldt Bay Harbor, Recreation and Conservation District, Court of Appeal, First District, Court Case No. A158634.
- d) CONFERENCE WITH REAL PROPERTY NEGOTIATORS. Terms of potential purchase of real property with Assessor's Parcel Numbers 401-112-021, 401-112-030 on the Samoa Peninsula, Humboldt County, California pursuant to California Government Code § 54956.8. District negotiators: Larry Oetker, Executive Director and Ryan Plotz, District Counsel. Negotiating party: Nick Keeler. Under negotiation: price and payment terms.
- e) CONFERENCE WITH REAL PROPERTY NEGOTIATORS. Terms of potential acquisition and/or lease of real property on the Samoa Peninsula, Humboldt County, with Assessor's Parcel Numbers, 401-031-056 pursuant to California Government Code § 54956.8. District negotiators: Larry Oetker, Executive Director and Ryan Plotz, District Counsel. Negotiating party: Pete Oringer, Timber Heritage Association. Under negotiation: price and payment terms.
- f) CONFERENCE WITH REAL PROPERTY NEGOTIATORS. Terms of potential purchase of real property with Assessor's Parcel Number 401-111-006 on the Samoa Peninsula, Humboldt County, California pursuant to California Government Code § 54956.8. District negotiators: Larry Oetker, Executive Director and Ryan Plotz, District Counsel. Negotiating party: Pete Jackson, Green Diamond Resource Company. Under negotiation: price and payment terms.
- g) CONFERENCE WITH LEGAL COUNSEL—ANTICIPATED LITIGATION. Initiation of litigation pursuant to paragraph (4) of subdivision (d) of Section 54956.9: one case (Coast Seafood).

**OPEN SESSION – 7:01 P.M.**

**ROLL CALL:**

PRESENT:       DALE  
                  DOSS  
                  MARKS  
                  HIGGINS  
                  KULLMANN

ABSENT:        NONE

QUORUM:       YES

**PLEDGE OF ALLEGIANCE**

**Draft Minutes for February 27, 2020 Regular Board Meeting**

**REPORT ON EXECUTIVE CLOSED SESSION:** Board met on all items; Commissioner Dale recused himself from Item G. No reportable action.

**PUBLIC COMMENT:** The following individuals addressed the Commission regarding subject matters not on this meeting's agenda: Tod Reincke and Vivial Heliwell.

**CONSENT CALENDAR**

- a) Approve Payment to Zerlang & Zerlang Marine Services for Buoy 9 Emergency Chain Recovery
  - b) Receive District Financial Reports for December 2019
  - c) Approval of Meeting Minutes for January 23, 2020 Regular Board Meeting
  - d) Approval of Invoice from City of Eureka for partial payment of PO #1470, Aerial Photo and LiDAR Acquisition 2019 for the Humboldt Bay Region
  - e) Approval of Estimate #1016 from Redwood Electrical Services for Replacement of the Electric Service Panel on Dock "I"
    - I. COMMISSIONER MARKS MOVED TO APPROVE THE CONSENT CALENDAR.
    - II. COMMISSIONER HIGGINS SECONDED.
    - II. Chair Kullmann opened the item to the public comment. No members of the public commented.
    - III. Chair Kullmann moved the discussion back to the Commission.
- VOICE VOTE WAS CALLED, MOTION CARRIED.
- Ayes: DALE, DOSS, HIGGINS, KULLMANN, MARKS  
Noes: NONE  
Absent: DALE  
Abstain: NONE

**COMMUNICATIONS AND REPORTS**

- a) Executive Director's Report
  - I. Executive Director presented Executive Director's Report.
- b) Staff Reports
  - I. Staff presented on recent District activities.
- c) District Counsel and District Treasurer Reports
  - I. No report.
- d) Commissioner and Committee Reports
  - I. Commissioners reported on their recent activities.
- e) Others
  - I. No report.

**UNFINISHED BUSINESS**

- a) **Report from Humboldt Bay Harbor District's Dredge Subcommittee**
  - I. Commissioner Higgins presented the item with District Staff.
  - II. The Commission discussed the item.
  - III. Chair Kullmann opened the item to public comment. Tod Reincke commented.
  - IV. Chair Kullmann moved the discussion back to the Commission.
  - V. Update only, no reportable action.
  
- b) **Consider Adopting Resolution No. 2020-04 Amending the Woodley Island Marina Fee Schedule to Increase the Dredge Surcharge Fee**
  - I. Executive Director presented the item.
  - II. The Commission discussed the item.
  - III. Chair Kullmann opened the item to public comment. Vivian Heliwell and Ray DeMoreta commented.
  - IV. Chair Kullmann moved the discussion back to the Commission.

COMMISSIONER MARKS MOVED TO ADOPT RESOLUTION NO. 2020-04 AMENDING THE WOODLEY ISLAND MARINA FEE SCHEDULE TO INCREASE THE DREDGE SURCHARGE FEE.  
COMMISSIONER DALE SECONDED  
ROLL CALL VOTE WAS CALLED, MOTION CARRIED.

Ayes: DALE, DOSS, HIGGINS, KULLMANN, MARKS  
Noes: NONE  
Absent: NONE

- c) **(1) Consideration of Adoption of Resolution 2020-03 Which Establishes Findings Relative to the Application by the County of Humboldt for the Pine Hill Road over Swain Slough Bridge Replacement Project.**  
**(2) Consideration of Granting Permit 2020-01 to the County of Humboldt for the Pine Hill Road Bridge Replacement over Swain Slough Bridge Replacement Project.**
- I. District Staff presented the item.
  - II. The Commission discussed the item.
  - III. Chair Kullmann opened the item to public comment. No one commented.
  - IV. Chair Kullmann moved the discussion back to the Commission.  
COMMISSIONER HIGGINS MOVED TO ADOPT RESOLUTION NO. 2020-03 WHICH ESTABLISHES FINDINGS RELATIVE TO THE APPLICATION BY THE COUNTY OF HUMBOLDT FOR THE PINE HILL ROAD OVER SWAIN SLOUGH BRIDGE REPLACEMENT PROJECT.  
COMMISSIONER DOSS SECONDED  
ROLL CALL VOTE WAS CALLED, MOTION CARRIED.  
Ayes: DALE, DOSS, HIGGINS, KULLMANN, MARKS  
Noes: NONE  
Absent: NONE  
Abstain: NONE  
  
COMMISSIONER DOSS MOVED TO GRANT PERMIT 2020-01 TO THE COUNTY OF HUMBOLDT FOR THE PINE HILL ROAD OVER SWAIN SLOUGH BRIDGE REPLACEMENT PROJECT.  
COMMISSIONER DALE SECONDED  
VOICE VOTE WAS CALLED, MOTION CARRIED.  
Ayes: DALE, DOSS, HIGGINS, KULLMANN, MARKS  
Noes: NONE  
Absent: NONE  
Abstain: NONE

**NEW BUSINESS**

- a) **Discuss, Review, and Authorize the Executive Director to Execute the Samoa Peninsula Infrastructure Workgroup Agreement.**
- I. Executive Director presented the item.
  - II. The Commission discussed the item.
  - III. Chair Kullmann opened the item to public comment. No one commented.
  - IV. Chair Kullmann moved the discussion back to the Commission.  
COMMISSIONER DALE MOVED TO AUTHORIZE THE EXECUTIVE DIRECTOR TO EXECUTE THE SAMOA PENINSULA INFRASTRUCTURE WORKGROUP AGREEMENT.  
COMMISSIONER MARKS SECONDED  
VOICE VOTE WAS CALLED, MOTION CARRIED.  
Ayes: DALE, DOSS, HIGGINS, KULLMANN, MARKS  
Noes: NONE  
Absent: NONE  
Abstain: NONE
- b) **Consideration of Resolution 2020-02, A Resolution Designating Business Matters, Appointment and Authorization for the Humboldt Bay Harbor, Recreation and Conservation District for Calendar Year 2020.**
- I. Chair Kullmann presented the item.
  - II. The Commission discussed the item.
  - III. Chair Kullmann opened the item to public comment. No one commented.
  - IV. Chair Kullmann moved the discussion back to the Commission.  
COMMISSIONER HIGGINS MOVED TO ADOPT RESOLUTION 2020-02, A RESOLUTION DESIGNATING BUSINESS MATTERS, APPOINTMENT AND AUTHORIZATION FOR THE HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT FOR CALENDAR YEAR 2020.  
COMMISSIONER DALE SECONDED.  
ROLL CALL VOTE WAS CALLED, MOTION CARRIED.  
Ayes: DALE, DOSS, HIGGINS, KULLMANN, MARKS  
Noes: NONE  
Absent: NONE

**Draft Minutes for February 27, 2020 Regular Board Meeting**

COMMISSIONER DALE MOVED TO MODIFY THE MEETING SCHEDULE FOR 2020 BY CANCELLING THE REGULAR MEETINGS IN NOVEMBER AND DECEMBER AND HAVING SPECIAL MEETINGS ON THE SECOND THURSDAY OF THOSE MONTHS.

COMMISSIONER MARKS SECONDED.

VOICE VOTE WAS CALLED, MOTION CARRIED.

Ayes: DALE, DOSS, HIGGINS, KULLMANN, MARKS

Noes: NONE

Absent: NONE

Abstain: NONE

**ADMINISTRATIVE AND EMERGENCY PERMITS - NONE**

**ADJOURNMENT – 8:38 P.M.**

APPROVED BY:

RECORDED BY:

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Patrick Higgins

Secretary of the Board of Commissioners

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Mindy Hiley

Director of Administrative Services

**DRAFT MINUTES  
SPECIAL MEETING OF THE BOARD OF COMMISSIONERS  
HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT**

**March 18, 2020**

The Humboldt Bay Harbor, Recreation and Conservation District met in special session on the above date at 5:00 P.M. Open Session at the Woodley Island Marina Meeting Room, 601 Startare Drive, Eureka, CA 95501 via Teleconference.

**SPECIAL SESSION - 5:02 PM**

**ROLL CALL:**

PRESENT:     DALE  
              DOSS  
              MARKS  
              HIGGINS

ABSENT:       KULLMANN (arrived on call at 5:07 PM)  
QUORUM:       YES

**PLEDGE OF ALLEGIANCE – Bypassed due to Teleconference**

**PUBLIC COMMENT:** The following individuals addressed the Commission regarding subject matters not on this meeting's agenda: NONE

**NEW BUSINESS**

- a) **Consideration and possible adoption of Resolution 2020-05, A Resolution of the Humboldt Bay Harbor, Recreation and Conservation District Relating to Employee Procedures, Leave Accruals and in Response to COVID-19.**
  - I. District Staff presented the item.
  - II. The Commission discussed the item.
  - III. Chair Kullmann opened the item to public comment. Scott Frazier commented.
  - IV. Chair Kullmann moved the discussion back to the Commission.  
COMMISSIONER HIGGINS MOVED TO ADOPT RESOLUTION 2020-05, A RESOLUTION OF THE HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT RELATING TO EMPLOYEE PROCEDURES, LEAVE ACCRUALS AND IN RESONSE TO COVID-19.  
COMMISSIONER DALE SECONDED  
ROLL CALL VOTE WAS CALLED, MOTION CARRIED WITHOUT DISSENT.  
Ayes: DALE, DOSS, HIGGINS, KULLMANN, MARKS  
Noes: NONE  
Absent: NONE  
Abstain: NONE

**ADJOURNMENT – 5:14 PM**

APPROVED BY:

RECORDED BY:

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Patrick Higgins  
Secretary of the Board of Commissioners

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Mindy Hiley  
Director of Administrative Services

**DRAFT MINUTES  
SPECIAL MEETING OF THE BOARD OF COMMISSIONERS  
HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT**

**March 31, 2020**

The Humboldt Bay Harbor, Recreation and Conservation District met in special session on the above date at 5:00 P.M. Open Session at the Woodley Island Marina Meeting Room, 601 Startare Drive, Eureka, CA 95501 via Teleconference.

**SPECIAL SESSION - 5:00 PM**

**ROLL CALL:**

PRESENT:       DALE  
                  DOSS  
                  KULLMANN  
                  MARKS

ABSENT:        HIGGINS (arrived on call at 5:14 PM)

QUORUM:       YES

**PLEDGE OF ALLEGIANCE – Bypassed due to Teleconference**

**PUBLIC COMMENT:** The following individuals addressed the Commission regarding subject matters not on this meeting's agenda: NONE

**NEW BUSINESS**

**a) Receive Executive Director's Report**

- I. Executive Director presented the item.
- II. The Commission discussed the item.
- III. Chair Kullmann opened the item to public comment, no one commented.
- IV. Chair Kullmann moved the discussion back to the Commission.  
NO ACTION WAS TAKEN.

**b) Receive Report and Receive Direction from the Board Regarding District Staffing, Administration, Procurement, and Setting Dates for Future Meetings in Response to COVID-19. (Roll Call Vote)**

- I. District Staff presented the item.
- II. The Commission discussed the item.
- III. Chair Kullmann opened the item to public comment. No one commented.
- IV. Chair Kullmann moved the discussion back to the Commission.  
COMMISSIONER HIGGINS MOVED TO SCHEDULE A SPECIAL MEETING ON THURSDAY, APRIL 9, 2020.  
COMMISSIONER DALE SECONDED  
ROLL CALL VOTE WAS CALLED, MOTION CARRIED WITHOUT DISSENT.  
Ayes:   DALE, DOSS, HIGGINS, KULLMANN, MARKS  
Noes:   NONE  
Absent: NONE  
Abstain: NONE

**c) Approval of DG Fairhaven Lease Amendment**

- I. District Staff presented the item.
- II. The Commission discussed the item.
- III. Chair Kullmann opened the item to public comment. No one commented.
- IV. Chair Kullmann moved the discussion back to the Commission.  
COMMISSIONER HIGGINS MOVED TO APPROVE A LEASE AMENDMENT WITH DG FAIRHAVEN.  
COMMISSIONER MARKS SECONDED  
ROLL CALL VOTE WAS CALLED, MOTION CARRIED WITHOUT DISSENT.  
Ayes:   DALE, DOSS, HIGGINS, KULLMANN, MARKS  
Noes:   NONE  
Absent: NONE  
Abstain: NONE

**Draft Minutes for March 31, 2020 Special Board Meeting**

**ADJOURNMENT – 5:25 PM**

**CLOSED SESSION**

The Commission met in closed session to discuss the following items:

- a) CONFERENCE WITH REAL PROPERTY NEGOTIATORS. Terms of potential acquisition and/or lease of real property on the Samoa Peninsula, Humboldt County, with Assessor’s Parcel Numbers, 401-112-021 and 401-112-024 California pursuant to California Government Code § 54956.8. District negotiators: Larry Oetker, Executive Director and Ryan Plotz, District Counsel. Negotiating party: California Marine Investments LLC. Under negotiation: price and payment terms.
- b) CONFERENCE WITH REAL PROPERTY NEGOTIATORS. Terms of potential acquisition and/or lease of real property on the Samoa Peninsula, Humboldt County, with Assessor’s Parcel Numbers, 401-112-021 and 401-112-024 California pursuant to California Government Code § 54956.8. District negotiators: Larry Oetker, Executive Director and Ryan Plotz, District Counsel. Negotiating party: Green Cloud, Inc. Under negotiation: price and payment terms.
- c) CONFERENCE WITH REAL PROPERTY NEGOTIATORS. Terms of potential acquisition and/or lease of real property on the Samoa Peninsula, Humboldt County, with Assessor’s Parcel Numbers, 307-101-002 California pursuant to California Government Code § 54956.8. District negotiators: Larry Oetker, Executive Director and Ryan Plotz, District Counsel. Negotiating party: Tod Reincke. Under negotiation: price and payment terms.
- d) CONFERENCE WITH LEGAL COUNSEL--EXISTING LITIGATION. (Paragraph (1) of subdivision (d) of Section 54956.9): Name of case: Humboldt Bay Harbor, Recreation and Conservation District v. Glasshouse Gardens, LLC, Humboldt Superior Court Case No. CV1901283.
- e) CONFERENCE WITH REAL PROPERTY NEGOTIATORS. Terms of potential purchase of real property with Assessor’s Parcel Numbers 401-112-021, 401-112-030 on the Samoa Peninsula, Humboldt County, California pursuant to California Government Code § 54956.8. District negotiators: Larry Oetker, Executive Director and Ryan Plotz, District Counsel. Negotiating party: Jack Ferris. Under negotiation: price and payment terms.

**REPORT ON EXECUTIVE CLOSED SESSION:** No reportable action

**ADJOURNMENT (CLOSED SESSION) – 6:25 PM**

APPROVED BY:

RECORDED BY:

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Patrick Higgins  
Secretary of the Board of Commissioners

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Mindy Hiley  
Director of Administrative Services



**DRAFT MINUTES  
SPECIAL MEETING OF THE BOARD OF COMMISSIONERS  
HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT**

**April 9, 2020**

The Humboldt Bay Harbor, Recreation and Conservation District met in special session on the above date at 5:00 P.M. Open Session at the Woodley Island Marina Meeting Room, 601 Startare Drive, Eureka, CA 95501 via Teleconference.

**SPECIAL SESSION - 5:01 PM**

**ROLL CALL:**

PRESENT: DOSS  
HIGGINS  
KULLMANN  
MARKS

ABSENT: DALE (arrived on call at 5:05 PM)

QUORUM: YES

**PLEDGE OF ALLEGIANCE**

**PUBLIC COMMENT:** The following individuals addressed the Commission regarding subject matters not on this meeting's agenda: Scott Frazier

**OLD BUSINESS**

**a) Receive Report and Receive Direction from the Board Regarding District's Response to COVID-19.**

- I. Executive Director and District Staff presented the item.
- II. The Commission discussed the item.
- III. Chair Kullmann opened the item to public comment, Scott Frazier commented.
- IV. Chair Kullmann moved the discussion back to the Commission.  
NO ACTION WAS TAKEN.

**b) Consider Authorizing the Executive Director to Execute a Lease Agreement with Reincke Marine Fabrication to operate the Fields Landing Boat Yard (Roll Call Vote).**

- I. Executive Director Presented the Item.
- II. A Letter was received from Zerlang & Zerlang Marine Services (Attachment A).
- III. The Commission discussed the item.
- IV. Chair Kullmann opened the item to public comment, Tod Reincke commented.
- V. Chair Kullmann moved the discussion back to the Commission.  
COMMISSIONER HIGGINS MOVED TO AUTHORIZE THE EXECUTIVE DIRECTOR TO EXECUTE A LEASE AGREEMENT WITH REINCKE MARINE FABRICATION TO OPERATE THE FIELDS LANDING BOAT YARD.  
MOTION WAS NOT SECONDED.  
COMMISSIONER MARKS MADE A MOTION TO TABLE THE LEASE AGREEMENT WITH REINCKE MARINE FABRICATION UNTIL THE REGULAR BOARD MEETING ON APRIL 23, 2020.  
COMMISSIONER HIGGINS SECONDED.  
ROLL CALL VOTE WAS CALLED, MOTION CARRIED WITHOUT DISSENT.  
Ayes: DALE, DOSS, HIGGINS, KULLMANN, MARKS  
Nos: NONE  
Absent: NONE  
Abstain: NONE

**NEW BUSINESS**

**a) Consider Authorizing the Executive Director to Execute a Headwaters Fund Grant Agreement (Roll Call Vote).**

- I. Executive Director presented the item.
- II. The Commission discussed the item.
- III. Chair Kullmann opened the item to public comment. Scott Frazier commented.
- IV. Chair Kullmann moved the discussion back to the Commission.

**Draft Minutes for April 9, 2020 Special Board Meeting**

COMMISSIONER MARKS MOVED TO AUTHORIZE THE EXECUTIVE DIRECTOR TO EXECUTE A HEADWATERS FUND GRANT AGREEMENT.

COMMISSIONER DOSS SECONDED

ROLL CALL VOTE WAS CALLED, MOTION CARRIED WITHOUT DISSENT.

Ayes: DALE, DOSS, HIGGINS, KULLMANN, MARKS

Noes: NONE

Absent: NONE

Abstain: NONE

**PUBLIC COMMENT ON CLOSED SESSION ITEMS – NONE**

**ADJOURNMENT – 6:01 PM**

**CLOSED SESSION**

The Commission met in closed session to discuss the following items:

- a) CONFERENCE WITH REAL PROPERTY NEGOTIATORS. Terms of potential acquisition and/or lease of real property on the Samoa Peninsula, Humboldt County, with Assessor's Parcel Numbers, 401-112-021 and 401-112-024 California pursuant to California Government Code § 54956.8. District negotiators: Larry Oetker, Executive Director and Ryan Plotz, District Counsel. Negotiating party: California Marine Investments LLC. Under negotiation: price and payment terms.
- b) CONFERENCE WITH REAL PROPERTY NEGOTIATORS. Terms of potential acquisition and/or lease of real property in Fields Landing, Humboldt County, with Assessor's Parcel Numbers, 307-101-002 California pursuant to California Government Code § 54956.8. District negotiators: Larry Oetker, Executive Director and Ryan Plotz, District Counsel. Negotiating party: Tod Reincke. Under negotiation: price and payment terms.
- c) CONFERENCE WITH REAL PROPERTY NEGOTIATORS. Terms of potential purchase of real property with Assessor's Parcel Numbers 401-112-021, 401-031-061, 401-031-040, and 401-031-054 on the Samoa Peninsula, Humboldt County, California pursuant to California Government Code § 54956.8. District negotiators: Larry Oetker, Executive Director and Ryan Plotz, District Counsel. Negotiating party: Green Diamond Resource Company. Under negotiation: price and payment terms.
- d) CONFERENCE WITH LABOR NEGOTIATORS (Gov. Code, § 54957.6)  
Agency designated representatives: Larry Oetker, Executive Director Employee, and Ryan Plotz, District Counsel; Employee organization: Operating Engineers Local Union No. 3

**REPORT ON EXECUTIVE CLOSED SESSION:** No reportable action

**ADJOURNMENT (CLOSED SESSION) – 7:45 PM**

APPROVED BY:

RECORDED BY:

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Patrick Higgins  
Secretary of the Board of Commissioners

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Mindy Hiley  
Director of Administrative Services



April 9, 2020

Humboldt Bay Harbor Commissioners

RE: Fields Landing Boat Yard Request for Proposal

Greetings To All:

The Fields Landing yard is one of the most valuable assets that the Harbor District owns and very important to the west coast commercial fishing fleet. I understand the District's position regarding costs of operating the yard and the need to make a change.

The original RFQ that was sent out in January for the Fields Landing yard was very vague and confusing. The proposal that is currently being discussed is completely different than the original proposal. Not one local marine contractor in this area has been contacted regarding the latest proposal, and this will affect their businesses and the customers they work with.

Humboldt Bay is known on the west coast for this unique and skilled group of marine mechanics. The Fisherman's Marketing Association was not aware that the Harbor District was proposing any changes in the Fields Landing boat yard operations. This is of great concern. Three local contractors approached me asking where the RFP is for the demolition of the derelict boats. I, also, have not seen the RFP.

The increase of fees being charged by the District is a major concern with the current fishing fleet; and I know of two boat owners that are moving not only their boats, but their families, out of this area. We don't believe any other major changes should be made without discussion at this time.

The lease that the District is proposing for property, buildings, and equipment is way under value and makes it look like a government-subsidized operation.

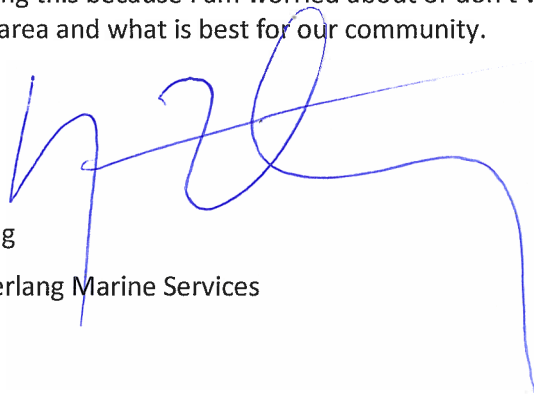
I and others would request that this venture be postponed until the Covid-19 virus pandemic is controlled and a committee can be set up and meet to determine what is best for not only the commercial fishing fleet and the Harbor District, but this area as a whole.

I'm a very large supporter of the Harbor District (not easy at times!) and have and will continue to help where I can. I do believe that the Harbor District is creating a bad situation here due to lack of planning and thought.

I'm not writing this because I am worried about or don't want competition. I am most concerned about the general area and what is best for our community.

Leroy Zerlang

Zerlang & Zerlang Marine Services



## Corey Mooers

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**From:** reef <reef@suddenlink.net>  
**Sent:** Monday, March 09, 2020 11:25 AM  
**To:** Corey Mooers  
**Subject:** Re: Charter Permit - Humboldt Sportfishing

Dear Humboldt Bay Harbor Commission Board and Cory,

Humboldt Sportfishing would like to renew the three-year permit (\$250) with Woodley Island Marina to continue operating the charter boat Tahina II out of slip D9.

If you have any questions or concerns please give me a call.

Thanks,

Reef Twibell  
Owner/Operator - Humboldt Sportfishing  
707 . 496 . 7899

Sent from my Galaxy Tab® A

----- Original message -----

**From:** Corey Mooers <cmooers@humboldtby.org>  
**Date:** 3/9/20 9:52 AM (GMT-08:00)  
**To:** Reef Twibell <reef@suddenlink.net>  
**Subject:** Charter Permit

Hello Reef,

I just wanted to inform you that your permit to operate a charter boat expires on April 30, 2020. If you would like to renew the permit, I will need you to submit a request for renewal as soon as possible so that we can get it on the agenda for the March 2020 Board of Commissioners meeting. You can email it to me.

Thank you.

**Cory Mooers**

**Marina Manager**

Humboldt Bay Harbor District

HUMBOLDT BAY HARBOR, RECREATION  
AND CONSERVATION DISTRICT

PERMIT AND AGREEMENT TO  
OPERATE A CHARTER SERVICE

Startare Drive  
Woodley Island Marina  
P.O. Box 1030  
Eureka, CA 95501

PERMITTEE:  
**Reef Twibell**  
**dba *Humboldt Sportfishing***  
**1627 Charles Avenue**  
**Arcata, CA 95521**

This Permit and Agreement is executed in triplicate at Woodley Island Marina, Eureka, California, between HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT, hereinafter referred to as "District", and **REEF TWIBELL** an individual, dba ***HUMBOLDT SPORTFISHING*** hereinafter referred to as "**Reef Twibell.**"

**WHEREAS, Reef Twibell** will be the Lessee of Slip Number 09, Float D, at the Woodley Island Marina for a vessel, pursuant to a Berthing Permit and Rental Agreement for the Woodley Island Marina, a copy of which is attached hereto and incorporated by reference as Exhibit "A" hereto; and

**WHEREAS, on or about March 9, 2020 Reef Twibell** made written request to renew the permit to operate the business ***Humboldt Sportfishing*** on a vessel moored at Slip Number 09, Float D at the Woodley Island Marina; and

**WHEREAS, Ordinance Number 9, Section 6.7, subparagraph (a) of the District** prohibits any commercial endeavor or charter service for hire without a special permit from the District.

**AFTER REVIEW AND CONSIDERATION** thereof by the Board of Commissioners of the District of the application of **Reef Twibell:**

**THE PARTIES, THEREFORE, AGREE AS FOLLOWS:**

1. District shall permit **Reef Twibell**, an individual, to operate the business

**Humboldt Sportfishing** for the purpose of charter service at the Woodley Island Marina. The charter services shall consist primarily of sport fishing. Diving or diving instruction from or on said vessel shall not be allowed and shall be prohibited at all times at any locations within or without the boundaries of Woodley Island Marina while **Reef Twibell** operates the business of charter services from the Woodley Island Marina.

2. The term of this Permit and Agreement shall be for three (3) years commencing May 01, 2020 and terminating on April 30, 2023. District or **Reef Twibell** may terminate this Permit and Agreement by giving sixty (60) days written notice of termination to the other party. District may terminate this Permit and Agreement with **Reef Twibell** with or without cause or reason by giving **Reef Twibell** sixty (60) days written notice of termination and **Reef Twibell** shall terminate his business, as defined in Paragraph 1, (60) days from the date of personal service of said written notice of termination or sixty (60) days from the date of deposit or the written notice of termination deposited, enclosed in a sealed envelope with postage thereon fully prepaid, in the United States mail, and addressed to **Reef Twibell**, at 1627 Charles Avenue, Arcata, CA 95521. In the event **Reef Twibell** is in default of any of the provisions of the Berthing Permit and Rental Agreement for the Woodley Island Marina, a copy of which is attached hereto as Exhibit "A", and **Reef Twibell's** Berthing Permit is terminated pursuant to said Agreement, this Permit and Agreement to operate a Charter Service shall terminate forthwith on the date of termination of **Reef Twibell's** Berthing Permit and Rental Agreement for the Woodley Island Marina without the requirement of the hereinabove set forth sixty (60) day notice of termination provisions.
3. In addition to the monthly rental payable by **Reef Twibell** to the District pursuant to the Berthing Permit and Rental Agreement for the Woodley Island Marina, a copy of which is attached hereto as Exhibit "A", **Reef Twibell** shall pay District the sum of two hundred fifty dollars and no cents (\$250.00) per year, however all rates may be changed pursuant to paragraph 3 of the Berthing Permit and

Rental Agreement for Woodley Island Marina which provides that the District may change or increase the rates by giving thirty (30) days notice.

4. On or prior to the date of the Agreement, to wit: May 01, 2020, **Reef Twibell** shall purchase and maintain throughout the term of the Permit and Agreement Commercial General Liability insurance covering **Reef Twibell** pursuant to the terms of this Permit and Agreement. Said insurance policy of "protection and indemnity insurance" insuring **Reef Twibell** from liability for bodily injury, death, or property damage as a result of his operation and shall name District as an additional insured and provide District, prior to May 01 each year, with a Certificate of Insurance stating the amount of the insurance and proof that the District is an additional named insured, and the agreement of said insurance company that District shall be notified forthwith of the event of non-payment of the premium or termination of said insurance policy. The amount of insurance shall be One Million Dollars and no cents (\$1,000,000.00) per occurrence. In the event said liability insurance policy referred to in Paragraph 4 is cancelled or terminated, **Reef Twibell** shall forthwith cease and stop his **Humboldt Sportfishing** business at District's premises at the Woodley Island Marina and shall not resume operations until said liability insurance policy is fully reinstated and in full force and effect.
5. **Reef Twibell** shall, prior to commencing operation of **Humboldt Sportfishing**, obtain any and all necessary permits, if applicable, including but not limited to City of Eureka business license, and California Department of Fish and Wildlife licenses.
6. **Reef Twibell** agrees that neither the Humboldt Bay Harbor, Recreation and Conservation District, nor its Board of Commissioners, nor any Officer of the District shall be liable to any extent for the injury or damages to any person or property or for the death of any person arising out of or connected with **Reef Twibell** and **Reef Twibell** shall indemnify and hold harmless District, its Commissioners, and Officers free and harmless from any liability for any such injury, death or damages. In addition, **Reef Twibell** agrees to hold harmless,

indemnify, and hold District non-responsible for any of **Reef Twibell's** operations according to the provisions of paragraphs 11, 13, and 19 of the Berthing Permit and Rental Agreement for Woodley Island Marina, a copy of which is attached hereto as Exhibit "A" and incorporated by reference as though set forth in full.

7. **Reef Twibell** at all times shall comply and shall obtain compliance of Lessee's family, agents, employees, business visitors, and invitees of all laws, ordinances, rules and regulations, including Ordinance No.9, the Woodley Island Marina Rules and Regulations, and those of local, state, and federal government.
8. **Reef Twibell** at all times shall ensure that walkways and finger piers are not obstructed in any manner. No tires, ropes, canvas, or other material shall be nailed or attached to finger piers, docks, and piles without the written approval of the District. No person shall throw, discharge, or deposit from any vessel or from the shore or float or in any other manner, any fish or shellfish parts into or upon the waters of the Woodley Island Marina or upon the banks, walls, sidewalks, or parking areas within the boundaries of the Woodley Island Marina. No person shall place or leave dead animals, fish, shellfish, bait, or other putrefying matter on or along seawalls, harbor structures, floats, piers, sidewalks, or parking areas within the boundaries of the Woodley Island Marina. Vessel must be kept free of trash and waste product so as not to attract seagulls, sea lions, harbor seals, and other animals. All trash and waste product shall be properly disposed of each day.
9. **Reef Twibell** may place a sign on the vessel the size of which must be approved by the District's Executive Director. **Reef Twibell** may place a directional sign for incoming traffic onto Woodley Island Marina in an area approved by the Executive Director. Type and size of all signs are to be approved by the Executive Director of the District and, shall reasonably conform in size, shape, and colors of the signs heretofore existing on Woodley Island and the Woodley Island Marina.



10. This Permit and Agreement is not transferable or assignable by **Reef Twibell** without approval in writing by the District. Any transfer of assignment or attempted transfer or assignment of this Permit by **Reef Twibell** shall be null and void.
11. This Permit and Agreement is non-exclusive and District retains the right to enter into agreements with and grant permits to other persons or business for the same purposes as set forth in this Permit and Agreement.
12. The covenants and conditions herein contained shall apply to and bind the heirs, legal representatives, successors, and assigns of all of the parties hereto; and all of the parties hereto shall be jointly and severally liable hereunder.
13. Time is of the essence of this Permit and Agreement and of each and every covenant, term, and condition, and provision hereof.
14. **Reef Twibell** is hereby notified by the District that this Permit and Agreement to Operate ***Humboldt Sportfishing*** in conjunction with the Berthing Permit and Rental Agreement for a vessel at the Woodley Island Marina or property interests created herein, if any, may be subject to a possessory interest tax or property taxation if created pursuant to Sections 107 to 108 of the California Revenue and Taxation Code and that **Reef Twibell** and/or the party in whom the possessory interest is vested may be subject to the payment of property taxes levied upon such interests. **Reef Twibell** agrees and acknowledges that he has actual notice pursuant to Section 107.6 of the California Revenue and Taxation Code and that **Reef Twibell** may be required to pay a possessory interest tax as a result of this Permit and Agreement to operate a charter service in conjunction with the Berthing Permit and Rental Agreement for the vessels for Woodley Island Marina. **Reef Twibell** hereby acknowledges that he has actual knowledge of the existence of a possessory interest tax and has read the provision of Section 107 to 108 of the California Revenue and Taxation Code. **Reef Twibell** agrees to and shall pay all possessory interest taxes levied by any governmental agency by reason of this Permit and Agreement and his Berthing Permit and Rental Agreement for his vessel, for Woodley Island

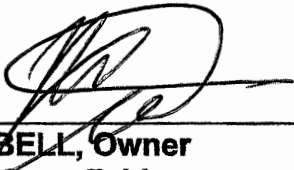
Marina.

EXECUTED on, \_\_\_\_\_, 2020, by authority of the Board of Commissioners of the HUMBOLDT BAY HARBOR, RECREATION, AND CONSERVATION DISTRICT.

RECREATION,  
DISTRICT

\_\_\_\_\_  
STEPHEN KULLMANN President  
Board of Commissioners  
HUMBOLDT BAY HARBOR,  
AND CONSERVATION

Reef Twibell, an individual, dba, *Humboldt Sportfishing*, as Permittee in this Permit and Agreement hereby accepts and agrees to all terms and conditions herein above set forth.

Dated: March 30, 2020 By   
REEF TWIBELL, Owner  
*Humboldt Sportfishing*

HUMBOLDT BAY HARBOR,  
RECREATION, AND CONSERVATION DISTRICT  
(707) 443-0801 P.O. BOX 1030, EUREKA, CA 95502-1030

BERTHING PERMIT AND RENTAL AGREEMENT  
FOR WOODLEY ISLAND MARINA

(30 days or more)

Date Filed: 27 March 2020

Name: Reef Twibell Title: Owner Phone: 707-496-7899

Legal Owner of Vessel: yes Home Phone:

Legal Owner Home Address: 1627 Charles Avenue Arcata Ca 95501 95521

Legal Owner Business Address:

Business Phone: Cellular Phone: Pager Number:

Name of Vessel: Tahina II Home Port: Humboldt Vessel Cellular:

Name of Operator: Phone:

Address of Operator:

Registration or

Documentation No.: CF 8310 ZT Length: 25 Beam: 8 Draft: 5 Year Built: 2013 Builder: Parker

Type:	<input type="checkbox"/> Inboard	Hull:	<input type="checkbox"/> Wood	Engine:	<input checked="" type="checkbox"/> Gas
	<input checked="" type="checkbox"/> Outboard		<input type="checkbox"/> Metal		<input type="checkbox"/> Diesel
	<input type="checkbox"/> Sail		<input checked="" type="checkbox"/> Fiber Glass		<input type="checkbox"/> Other
	<input type="checkbox"/> Inboard/Outboard		<input type="checkbox"/> Ferro/Concrete		

Propellers:  Single  Twin Make of Engine: H.P.: Radio Call Letters: Liveboard:  Yes  No

Emergency Contacts/Phone #:

THIS AGREEMENT between the undersigned (hereafter called "Lessee") and the Humboldt Bay Harbor, Recreation, and Conservation District (hereafter called "District") is made with reference to the following agreed facts:

- A. The District operates and maintains a marina or moorage facility at Woodley Island, Humboldt Bay, California.
- B. Lessee has read and is familiar with the terms and conditions herein.

NOW, THEREFORE, IT IS AGREED:

1. Premises

District leases to Lessee and Lessee leases from District pursuant to this Agreement Slip No. D-09 at the Woodley Island Marina, Woodley Island, Humboldt Bay, California, (hereafter called "premises") for the use by Lessee for moorage by Lessee of Lessee's vessel described above.

2. Terms

The term of the lease shall commence at 8:00 a.m. on the 1st day of May, 2020 to 8:00 a.m. the 1<sup>st</sup> of the next calendar month following the commencement date and thereafter the term shall be a periodic month to month tenancy from 8:00 a.m. on the first day of each successive calendar month to 8:00 a.m. on the first day of the month following. This tenancy may be terminated by either party by the giving of 30 days prior written notice. District may revoke immediately any berthing assignment permit when Lessee violates any one of the Marina Rules and Regulations or any one of the terms and conditions contained herein.

3. Rent

Lessee shall pay as rent to the District the sum of \$ 273.00 per calendar month, including all utility surcharge as set by the Board of Commissioners, due and payable in advance on the first day of each calendar month, with no prior notice or demand and free of all claims or off sets, in lawful money of the United States of America. A late charge shall be applied to accounts not paid in full on or before the tenth (10<sup>th</sup>) of the month. One percent (1%) interest shall be applied to the accounts not paid in full by the end of the month. The sum of \$ 546.00 is due and payable to the District upon execution of this Agreement, of which \$ is the pro-rate portion of the rent from the commencement date to the first day of the month following the commencement date, plus \$ 273.00 as a security deposit refundable to Lessee upon termination or expiration of the term and upon Lessee's faithful performance of all the terms, covenants and conditions of this Agreement. The security deposit shall be a sum equal to one month's rental charge. It is understood that District may change or increase the moorage rates for said slip by giving Lessee 30 days notice and Lessee shall pay District the new moorage rates 30 days after said notice by District.

Check on (1) where applicable:

- (A) Monthly rental for *exclusive* possession or use of such berth is the sum of \$ per foot, or 25% higher than non-exclusive possession, based upon the length of the slip, length of Lessee's vessel, or combined length of vessels, whichever is greater plus surcharges as set by the Board of Commissioners.
- (B) Monthly rental for *non-exclusive* possession or use of berth is the sum of \$ 5.46 per foot based upon the length of the slip used, length of Lessee's vessel, or combined length of vessels, whichever is greater plus surcharges as set by the Board of Commissioners.
- (C) The sum of \$ which equals twelve (12) months advance payment of \$ per month plus \$ security deposit for *exclusive* possession and use of such berth is the sum of \$ per foot, or 25% higher than *non-exclusive* possession, based upon the length of the slip used, length of lessee's vessel or combined length of vessels, whichever is greater plus surcharges as set by the Board of Commissioners. It is agreed that payment of advance monthly payments shall remain at all times a month to month tenancy. In the event lessee quits the premises for any reason there shall be no refund of any advance monies paid to the District, except there shall be a pro-rate refund if the vessel is destroyed or ownership is sold or transferred.
- (D) The sum of \$ which equals twelve (12) months advance payment of \$ per month plus \$ security deposit for *non-exclusive* possession and use of such berth is the sum of \$ per foot based upon the length of the slip used, length of Lessee's vessel or combined length of vessels, whichever is greater plus surcharges as set by the Board of Commissioners. It is agreed that payment of advance monthly payments shall remain at all times a month to month tenancy. In the event Lessee quits the premises for any reason there shall be no refund of any advance monies paid to the District, except there shall be a pro-rate refund if the vessel is destroyed or ownership is transferred.

4. Holding Over

If the Lessee holds possession of the premises after notice of termination by the District, Lessee's rental obligation to the District shall be at the transient daily rental rate for lessee's size vessel, until Lessee actually vacates said slip and otherwise upon all of the Agreements herein contained.

5. Notice of Possessory Interest Tax

The Lessee is hereby notified by District that this Permit and Rental Agreement or property interest created herein, if any, may be subject to a possessory interest tax or property taxation if created pursuant to Sections 107 and 108 of the California Revenue and Taxation Code and that Lessee and/or party in whom the possessory interest is vested may be subject to the payment of property taxes levied on such interest.

6. Non-Exclusive Use of Berth.

In the event Lessee's use is based upon a monthly rental for non-exclusive use as designated in paragraph 3 above, possession of the above slip is granted for non-exclusive possession or use of such berth. Non-exclusive possession or use of the slip or berth means a right to the use of a specific slip or berth when such specific slip or berth is also used intermittently by other, even though such possession or right to use such slip or berth is paramount to any use by others. District reserves the right to assign to others the right to use such facility.

In the event Lessee's vessel will be absent from the slip for a stated period of time of 5 days or more, District may, at its sole option, allow use or sublet of the slip by another vessel for such stated period and District may in its sole and absolute discretion collect moorage fees from another vessel and Lessee shall receive no credit or reimbursement from District except as set forth hereafter. Prior to Lessee's vessel departure from the slip for a stated period of 5 days or more, Lessee shall notify District of the vessel's intended schedule and the District shall have the right to rent the slip to other vessels, including but not limited to transient vessels during Lessee's absence. The District is under no obligation to have the slip clear for Lessee prior to the intended estimated time of arrival unless Lessee notifies the District at least 24 hours in advance of his arrival.

7. Exclusive Use of Berth

In the event Lessee's use is based upon a monthly rental for exclusive use or possession of such berth as designated in paragraph 3 above, District may not sublet the use of the slip to others so long as Lessee is not in default in any of the terms herein.

8. Use

(A) Lessee agrees at all times to use the premises exclusively for the moorage of vessel described herein. Lessee further agrees at all times that (1) No vessel moored or berthed within the Woodley Island Marina shall be used as a place of residence and no person shall use the same as a place of residence except the holder of a Live Aboard Permit issued by the District. Living aboard or overnight occupancy of any vessel in the Harbor for more than 3 consecutive nights by any person or persons at any time is strictly prohibited, except for the holder of a Live Aboard Permit issued by the District. No vessel shall be used as a residence except a transient vessel occupying a berth under a temporary assignment for less than thirty (30) days or the holder of a Live Aboard Permit issued by the District. For the purpose of this regulation, any vessel used as a overnight accommodation for 1 or more persons in excess of 3 nights in any 7 day period shall be considered a residence. (2) No children under the age of 13 years are permitted on or

about the premises unless accompanied and supervised by an adult at all times. (3) No unleashed dogs or other pets are permitted on or about the premises at any time. Dogs, cats and other pets are prohibited at all times on vessels holding a Live Aboard Permit. Any person or vessel holding a Live Aboard Permit shall remove all dogs, cats and other pets from the vessel. (4) Major repairs or servicing of the vessel on the premises are prohibited except upon the prior written authorization of the District. (5) No electronic sound amplification instruments or equipment shall be operated on or about the premises. (6) No brokers, peddlers, agents or solicitations shall be permitted on the premises except with the prior written consent of the District. (7) No release or discharge shall be made or permitted from the vessel into any waters of any matter whatsoever while the vessel is in or about the premises. Each live aboard vessel shall comply with all local, federal and State of California laws, rules and regulations, including those pertaining to navigational, marine sanitation devices and safety equipment. Live aboard vessels in the Woodley Island Marina equipped with holding tanks shall deposit all sewage and waste water in to the sewage pumping system provided by the District. (8) No business or commercial enterprise, including charters, shall be operated in or about the premises. (9) That no assignment transfer, sublease or other disposition of this Agreement or any rights hereunder shall be made by Lessee and any attempt to do so shall be null and void. Vessels shall not be leased or rented to third parties for the purpose of residency. Any transfer, assignment or subletting of the Live Aboard Permit without the written consent of the District is prohibited.

(B) Any non-transient commercial or recreational vessel leasing a berth for a period of 30 days or more shall be required to make application to the District for an annual Live Aboard Permit prior to persons residing or living aboard a vessel. The application shall identify the persons who shall live aboard the vessel.

(C) Lessee agrees that (1) Upon filing of an application for live aboard, an inspection of the vessel's suitability for live aboard. Live aboard vessels shall be in a seaworthy (ocean cruising) condition and of a design suitable for recreational or commercial operation on the waters of the Pacific Ocean. Live Aboard Permits shall not be granted for vessels such as houseboats, barges, floating homes, or other vessels not designed for or safely capable of navigating open waters. Vessels holding a Live Aboard Permit shall be inspected upon reasonable notice by the District at any time to determine if the vessel complies with all local, federal, State of California or District laws, rules and regulations. (2) The location of the live aboard vessel's berth shall be designated by the District and shall be at the convenience of the Marina. The number of permitted live aboard vessels shall not exceed twenty-four (24) in the Woodley Island Marina. (3) Only the registered owner of the vessel, the registered owner's family and crew members and employees of the owner shall be allowed to live on permitted vessels to the numerical limit set by the District. The District shall have the right in the Live Aboard Permit to limit the maximum number of persons living aboard a vessel. (4) No appliances, structures, or writings shall be placed on the exterior of a permitted live aboard vessel without the written permission of the District. (5) Holders of Live Aboard Permits shall agree to enhance Woodley Island Marina security and surveillance assistance to the District by calling attention of District attendant or staff to damage to any vessels on pier, unauthorized persons visiting piers or possible violations of the law. (6) District may issue an annual permit for live aboards upon a vessel. District may at any time forthwith terminate the Live Aboard Permit Agreement or live aboard status of the vessel for cause, non-compliance with the conditions of this Ordinance or the Live Aboard Permit Agreement or by giving thirty (30) days written notice of termination to the Permittee/Lessee.

#### 9. Parking

Lessee may park one motor vehicle only in parking areas designated by the District for boat owners. The District has the right to regulate parking of motor vehicles including guests and invitees of Lessee. The use by Lessee of the District parking areas shall be as a licensee only. Lessee assumes all risk of loss or damage to persons or property, including any motor vehicle, while on District premises.

#### 10. Default

(A) In the event of any default by Lessee in the payment of rent or Lessee's other obligations hereunder, the District may forthwith terminate this Agreement and Lessee's rights hereunder without further notice in which event Lessee shall promptly surrender the premises, remove the vessel and pay to the District all sums to which the District may be entitled, including damages, damage to District's property, reasonable attorney's fees or other expenses or liability incurred by the District by reason of any such default.

(B) As an additional remedy to the District for any such default by Lessee, the District may, without terminating this Agreement, re-enter the slip and take possession thereof; provided, however, that no such re-entry shall be construed as an election to terminate unless written notice to this effect is given by the District to Lessee and the District may remove all persons on the vessel and property therefrom, transfer such property or vessel to a public warehouse, anchorage or elsewhere at the expense of Lessee and relet the premises for the account of Lessee. Lessee shall be responsible to the District for all cost of re-entry, repossession, handling, storage and anchorage charges, attorney's fees, marshal's or sheriff's fees, advertising and any other cost or expense to the District incurred by the District by reason of any default hereunder by Lessee or by reason of the District exercising any of its rights hereunder.

(C) Lessee acknowledges that the District has a lien upon the vessel and any property of Lessee located on the premises or under the control of the District to secure payment and performance of all obligations of Lessee hereunder which lien may be enforced by the District by using the procedure for enforcement of liens for documented vessels.

(D) In the event it is necessary to institute legal proceedings to enforce any of the terms herein, or in the event of the breach of this Agreement by Lessee, Lessee shall pay to District its reasonable attorney's fees as fixed by the court.

#### 11. District Non-Responsibility

The District shall not be liable in any manner or for any cause whatsoever for Lessee's vessel or its contents, gear and equipment thereof, or any loss or damage thereto howsoever occasioned and any use of District facilities, including moorage or storage, shall be at the sole risk of Lessee. Lessee acknowledges and agrees that the District has made and makes no warranties or representations, either expressed or implied, with respect to the present or future suitability or condition of District slips, facilities, walks, ramps, equipment, building, premises or other property under the control of the District. Lessee understands that District premises and facilities are located on lands owned by the District and Lessee agrees to indemnify and hold harmless the District, the Economic Development Administration, the California Department of Boating and Waterways and their respective officers, agents, and employees from and against all claims, demands, liability, damage and loss including attorney's fees actually incurred for injuries or death to persons, or property (including the District) by reason of any matter, act, failure, to act or omission arising out of or relating to the operation, use or possession of Lessee's vessel, this slip or District premises of facilities or parcel leased by Lessee, Lessee's family, agents, employees, business visitors or invitees occurring at any time during the existence of this Agreement.

#### 12. Rules and Regulations

At all times Lessee shall comply and shall obtain the compliance of Lessee's family, agents, employees, business visitors and invitees with all laws, ordinances, rules and regulations including those of the Federal and State Government, the City of Eureka, and the District and the herein Agreement. Furthermore, Lessee shall at all times keep and maintain Lessee's vessel in a seaworthy, safe and clean condition while said vessel is in said slip. Lessee irrevocably authorizes and appoints the District to remove Lessee's vessel and/or to remove any contents, gear or equipment from said slip to any other slip/berth or mooring in Humboldt Bay, or to place the same in storage at Lessee's expense if, in the discretion of the District, it may be necessary for the safety or security of the vessel or District property, or to repair District's facilities or for any other reason and the District shall have no liability for any loss or damage resulting therefrom or for any failure to move the same.

#### 13. Indemnification

District does not hereby assume custody or possession of the vessel nor any responsibility whatsoever for the care or protection of same. Rather, Lessee hereby assumes all risk associated with the use and occupancy of the slip and agrees that District, its Directors, officers, agents and employees shall not be liable for any injury, including death, to any person caused by any use or occupancy of the slip or arising from any accident or fire or other casualty therein thereabout or from any other cause whatsoever, nor shall District, its Directors, officers, agents or employees be liable for any loss of or damage to any vessel, gear, equipment, fittings, fixtures, contents and other articles belonging to Lessee or located in or about the slip or the marina. Lessee hereby agrees to indemnify and hold District, its Directors, officers, agents and employees harmless from all liability for any such injury, loss, damage, or claim, including, without limitation, reasonable attorney's fees and court costs.

#### 14. Discharge of Waste

No person shall discharge human waste, fish parts, bilgewater, garbage or refuse into the water of Humboldt Bay or upon the marina.

#### 15. Securing Vessel

At all times during which vessel is berthed at the slip, Lessee shall cause it to be safely and properly secured in a manner acceptable to District. If District deems it necessary to resecure the vessel for any reason, Lessee agrees to pay a reasonable service charge for doing so plus the cost of all materials used therefor. However, District assumes no responsibility for the safety of the vessel and shall not be liable for fire, theft, or any damage to the vessel, its equipment, or any property in or on the vessel by the action of the District's decision either to resecure the vessel or to not resecure the vessel.

#### 16. Lessee's Care of Slip and Docks

Lessee shall not store any small boats, dinghies, skiffs, bait tanks, boat gear, power lines, water hoses or other personal property whatsoever at the slip (other than aboard the vessel) or on the docks or gangways adjacent to the slip, but shall keep the slip and said docks and gangways in a neat, clean and orderly condition, free and clear of all such items other than power lines and water hoses in use. No wheels, fenders, rubbing strips or other cushioning devices may be attached to a dock for the purpose of protecting hulls, without the prior approval of District. No alterations may be made to the docks by Lessee. No flammable or combustible materials shall be stored or left on the docks of the Marina. Lessee agrees to make a written report to District of any conditions existing on or about the marina which Lessee believes to be a hazardous condition or which might develop into a hazardous condition.

#### 17. Risk of Lessee

This permit and Agreement is for rental of space only, such space to be used at the sole risk of Lessee and the Owner of the aforescribed vessel, and neither the District nor its Board of Harbor Commissioners, its Harbor Master, employees or representatives, shall be responsible or liable to any extent or in any manner for the care or protection of the aforescribed vessel or its gear, equipment, or contents, or for any loss or damage of whatever kind or nature to said vessel, her gear, equipment, or contents howsoever caused or occasioned. Lessee hereby releases the District from all claims and causes of action therefore that exist or may arise in the future.

#### 18. Termination

If the Board of Harbor Commissioners of the District determines that Lessee has failed to comply with the terms and provisions of is permit and Agreement or with the ordinances, rules and regulations promulgated from time to time by the District, for the safety of District's Marina this Permit and Agreement may be terminated forthwith by said Board of Harbor Commissioners of the District upon being so notified in writing by the District. Lessee shall immediately remove his vessel from the assigned berth and out of and away from District's facility.

#### 19. Hold Harmless

Lessee covenants and agrees to indemnify and save harmless the District, its Board of Harbor Commissioners, and its Harbor Master, employees, and representatives, against any and all damages to property or injuries or death of any person or persons arising from Lessee's use of the District's facilities, or from intentional, careless, or negligent acts of conduct (or failure to act) of Lessee or his agents, employees, guests or representatives, and to further defend, indemnify and save harmless the District, its Board of Harbor Commissioners, Harbor Master, employees, and representatives, against any and all claims, actions, proceedings, expenses and liabilities whatsoever arising therefrom or connected therewith.

#### 20. Damage to District Property

Lessee agrees to pay, on demand of District, for all damage done to District's property or facilities by Lessee or the aforescribed vessel or by Lessee's agents, employees, or representatives.

#### 21. Assignment and Subletting

Lessee shall have no right or power whatsoever to assign this Agreement or sublet the slip or any part thereof to any person or party whatsoever or for use by any other vessel whatsoever. No attempted transfer or assignment, whether voluntary or involuntary, by operation of law, under legal process or proceedings, by receivership, in bankruptcy, or otherwise, and no attempted subletting, shall be valid or effective, but shall automatically terminate this Agreement.

#### 22. Sale of Vessel

Any sale or transfer of legal title in and to the vessel above described shall serve as an automatic termination of this Agreement and all rights of Lessee, the new owner of the vessel in and to this Agreement or the berth/slip shall cease and terminate.

#### 23. Tampering with or Boarding Vessels

Lessee, its agents, crew members, and employees shall not injure, damage, break, remove or tamper with any part of any vessel in the Marina, harbor or waterway in Humboldt Bay, or to climb into or upon any vessel without the consent of the owner unless in the performance of official duties or to protect life and/or property.

#### 24. Miscellaneous

- (A) Waiver of any provision hereof by the District shall not be deemed a continuing waiver or waiver of any other condition.
- (B) No alteration, amendment or modification hereof shall be effective unless in writing signed by Lessee and the District.
- (C) This is the only Agreement between the parties pertaining or related to the slip and/or Lessee's vessel and no oral agreements exist between the parties as to any matters whatsoever.
- (D) All notices shall be deemed served 72 hours after deposit in the U.S. mails, postage prepaid, certified mail, return receipt requested, addressed to Lessee at the address respective parties as shown herein.
- (E) This Agreement shall be binding upon and inure to the benefit of the parties, their heirs, executors, administrators, successors and assigns.
- (F) District retains the right to add, alter, amend or modify any of the terms and conditions contained herein and said addition, alteration, amendment or modification by District shall become binding upon Lessee forthwith.

#### 25. Marina Regulations

Lessee agrees to all of the provisions, terms and conditions of the Woodley Island Marina Rules and Regulations as stated in Ordinance No.9 of the Humboldt Bay Harbor, Recreation and Conservation District.

### Humboldt Bay Harbor, Recreation, and Conservation District

By Cory Mooers  
Its Marina Manager

Date: 3/27/2020

(Lessee)

Date: 3/30/2020

## Corey Mooers

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**From:** mike@redwoodcoastfishing.com  
**Sent:** Monday, March 09, 2020 10:15 AM  
**To:** Corey Mooers  
**Subject:** Re: Charter Permit

Corey,  
Yes, I would like to do a three year permit this time around...

Mike

Sent from my iPhone

On Mar 9, 2020, at 10:04 AM, Corey Mooers <cmooers@humboldtby.org> wrote:

Hello Mike,  
I wanted to inform you that your permit to operate a charter boat expires on April 30, 2020. If you would like to renew for another 1-year permit or 3-year permit I will need you to submit a request as soon as possible. The next Board of Commissioners meeting is March 26, 2020.

Thank you

**Cory Mooers**  
**Marina Manager**  
Humboldt Bay Harbor District  
Ph: 707.443.0801  
Cell: 707.834.5392  
<image001.jpg>

HUMBOLDT BAY HARBOR, RECREATION  
AND CONSERVATION DISTRICT

PERMIT AND AGREEMENT TO  
OPERATE A **CHARTER SERVICE**

601 Startare Drive  
Woodley Island Marina  
P.O. Box 1030  
Eureka, CA 95501

PERMITTEE:

**Michael Stratman**  
**dba Redwood Coast Fishing**  
**2330 18<sup>th</sup> Street**  
**Eureka, CA 95501**

This Permit and Agreement is executed in triplicate at Woodley Island Marina, Eureka, California, between HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT, hereinafter referred to as "District", and **MICHAEL STRATMAN**, dba **Redwood Coast Fishing** hereinafter referred to as "**Michael Stratman**."

**WHEREAS**, **Michael Stratman** will be the Lessees of Slip Number 00, Float A, at the Woodley Island Marina for a vessel, pursuant to a Berthing Permit and Rental Agreement for the Woodley Island Marina, a copy of which is attached hereto and incorporated by reference as Exhibit "A" hereto; and

**WHEREAS**, on or about March 9, 2019, **Michael Stratman** made a written request to renew the Permit from the District to operate the business **Redwood Coast Fishing** from a vessel moored at Slip Number 00, Float A at the Woodley Island Marina; and

**WHEREAS**, Ordinance Number 9, Section 6.7, subparagraph (a) of the District prohibits any commercial endeavor or charter service for hire without a special permit from the District.

**AFTER REVIEW AND CONSIDERATION** thereof by the Board of Commissioners of the District of the application of **Michael Stratman**:

**THE PARTIES, THEREFORE, AGREE AS FOLLOWS:**

1. District shall permit **Michael Stratman, Redwood Coast Fishing**, to operate the business **Redwood Coast Fishing** for the purpose of charter service at the Woodley Island Marina. The charter services shall consist primarily of sport fishing. Diving or diving instruction from or on said vessel shall not be allowed and shall be prohibited at all times at any locations within or without the boundaries of Woodley Island Marina while **Michael Stratman** operates the business of charter services from the Woodley Island Marina.
2. The term of this Permit and Agreement shall be for **three (3) years commencing May 01, 2020** and terminating on **April 30, 2023**. District or **Michael Stratman** may terminate this Permit and Agreement by giving sixty (60) days written notice of termination to the other party. District may terminate this Permit and Agreement with **Michael Stratman** with or without cause or reason by giving **Michael Stratman** sixty (60) days written notice of termination and **Michael Stratman** shall terminate their business, as defined in Paragraph 1, (60) days from the date of personal service of said written notice of termination or sixty (60) days from the date of deposit or the written notice of termination deposited, enclosed in a sealed envelope with postage thereon fully prepaid, in the United States mail, and addressed to **Michael Stratman, at 2330 18<sup>th</sup> Street, Eureka, CA 95501**.

In the event **Michael Stratman** are in default of any of the provisions of the Berthing Permit and Rental Agreement for the Woodley Island Marina, a copy of which is attached hereto as Exhibit "A", and **Michael Stratman's** Berthing Permit is terminated pursuant to said Agreement, this Permit and Agreement to operate a *Charter Service* shall terminate forthwith on the date of termination of **Michael Stratman's** Berthing Permit and Rental Agreement for the Woodley Island Marina without the requirement of the hereinabove set forth sixty (60) day notice of termination provisions.

3. In addition to the monthly rental payable by **Michael Stratman** to the District pursuant to the Berthing Permit and Rental Agreement for the Woodley Island Marina, a copy of which is attached hereto as Exhibit "A", **Michael Stratman** shall pay District the sum of Two hundred fifty dollars and no cents (\$250.00)

per year, however all rates may be changed pursuant to paragraph 3 of the Berthing Permit and Rental Agreement for Woodley Island Marina which provides that the District may change or increase the rates by giving thirty (30) days notice.

4. On or prior to the date of the Agreement, to wit: **May 01, 2020, Michael Stratman** shall purchase and maintain throughout the term of the Permit and Agreement **Commercial General Liability** insurance covering **Michael Stratman** pursuant to the terms of this Permit and Agreement. Said insurance policy of "protection and indemnity insurance" insuring **Michael Stratman** from liability for bodily injury, death, or property damage as a result of their operation and shall name District as an additional insured and provide District, prior to **May 01** each year, with a Certificate of Insurance stating the amount of the insurance and proof that the District is an additional named insured, and the agreement of said insurance company that District shall be notified forthwith of the event of non-payment of the premium or termination of said insurance policy. The amount of insurance shall be One Million Dollars and no cents (\$1,000,000.00) **per occurrence**. In the event said liability insurance policy referred to in the Paragraph 4 is cancelled or terminated, **Michael Stratman** shall forthwith cease and stop their **Redwood Coast Fishing** business at District's premises at the Woodley Island Marina and shall not resume operations until said liability insurance policy is fully reinstated and in full force and effect.
5. **Michael Stratman** shall, prior to commencing operation of **Redwood Coast Fishing**, obtain any and all necessary permits, if applicable, including but not limited to City of Eureka business license and **California Department of Fish and Wildlife** licenses.
6. **Michael Stratman** agrees that neither the Humboldt Bay Harbor, Recreation and Conservation District, nor its Board of Commissioners, nor any Officer of the District shall be liable to any extent for the injury or damages to any person or property or for the death of any person arising out of or connected with **Michael Stratman**, and **Michael Stratman** shall indemnify and hold harmless



District, its Commissioners, and Officers free and harmless from any liability for any such injury, death or damages. In addition, **Michael Stratman** agrees to hold harmless, indemnify, and hold District non-responsible for any of **Michael Stratman's** operations according to the provisions of paragraphs 11, 13, and 19 of the Berthing Permit and Rental Agreement for Woodley Island Marina, a copy of which is attached hereto as Exhibit "A" and incorporated by reference as though set forth in full.

7. **Michael Stratman** at all times shall comply and shall obtain compliance of Lessees' family, agents, employees, business visitors, and invitees of all laws, ordinances, rules and regulations, including Ordinance No.9, the Woodley Island Marina Rules and Regulations, and those of local, state, and federal government.
8. **Michael Stratman** at all times shall ensure that walkways and finger piers are not obstructed in any manner. No tires, ropes, canvas, or other material shall be nailed or attached to finger piers, docks, and piles without the written approval of the District. No person shall throw, discharge, or deposit from any vessel or from the shore or float or in any other manner, any waste, fish or shellfish parts into or upon the waters of the Woodley Island Marina or upon the banks, walls, sidewalks, or parking areas within the boundaries of the Woodley Island Marina. No person shall place or leave dead animals, fish, shellfish, bait, or other putrefying matter on or along seawalls, harbor structures, floats, piers, sidewalks, or parking areas within the boundaries of the Woodley Island Marina. Vessel must be kept free of trash and waste product so as not to attract seagulls, sea lions, harbor seals, and other animals. All trash and waste product shall be properly disposed of each day.
9. **Michael Stratman** may place a sign on the vessel the size of which must be approved by the District's Executive Director. **Michael Stratman** may place a directional sign for incoming traffic onto Woodley Island Marina in an area approved by the Executive Director. Type and size of all signs are to be approved by the Executive Director of the District and, shall reasonably

conform in size, shape, and colors of the signs heretofore existing on Woodley Island and the Woodley Island Marina.

10. This Permit and Agreement is not transferable or assignable by **Michael Stratman** without approval in writing by the District. Any transfer of assignment or attempted transfer or assignment of this Permit by **Michael Stratman** shall be null and void.
11. This Permit and Agreement is non-exclusive and District retains the right to enter into agreements with and grant permits to other persons or business for the same purposes as set forth in this Permit and Agreement.
12. The covenants and conditions herein contained shall apply to and bind the heirs, legal representatives, successors, and assigns of all of the parties hereto; and all of the parties hereto shall be jointly and severally liable hereunder.
13. Time is of the essence of this Permit and Agreement and of each and every covenant, term, and condition, and provision hereof.
14. **Michael Stratman** is hereby notified by the District that this Permit and Agreement to Operate **Redwood Coast Fishing** in conjunction with the Berthing Permit and Rental Agreement for a vessel at the Woodley Island Marina or property interests created herein, if any, may be subject to a possessory interest tax or property taxation if created pursuant to Sections 107 to 108 of the California Revenue and Taxation Code and that **Michael Stratman** and/or the party in whom the possessory interest is vested may be subject to the payment of property taxes levied upon such interests. **Michael Stratman** agrees and acknowledges that they have actual notice pursuant to Section 107.6 of the California Revenue and Taxation Code and that **Michael Stratman** may be required to pay a possessory interest tax as a result of this Permit and Agreement to operate a charter service in conjunction with the Berthing Permit and Rental Agreement for the vessel for Woodley Island Marina. **Michael Stratman** hereby acknowledge that they have actual knowledge of the existence of a possessory interest tax and have read the provision of Section 107 to 108 of the California Revenue and Taxation Code.

approved by the Executive Director. Type and size of all signs are to be approved by the Executive Director of the District and, shall reasonably conform in size, shape, and colors of the signs heretofore existing on Woodley Island and the Woodley Island Marina.

10. This Permit and Agreement is not transferable or assignable by **Michael Stratman** without approval in writing by the District. Any transfer of assignment or attempted transfer or assignment of this Permit by **Michael Stratman** shall be null and void.
11. This Permit and Agreement is non-exclusive and District retains the right to enter into agreements with and grant permits to other persons or business for the same purposes as set forth in this Permit and Agreement.
12. The covenants and conditions herein contained shall apply to and bind the heirs, legal representatives, successors, and assigns of all of the parties hereto; and all of the parties hereto shall be jointly and severally liable hereunder.
13. Time is of the essence of this Permit and Agreement and of each and every covenant, term, and condition, and provision hereof.
14. **Michael Stratman** is hereby notified by the District that this Permit and Agreement to Operate **Redwood Coast Fishing** in conjunction with the Berthing Permit and Rental Agreement for a vessel at the Woodley Island Marina or property interests created herein, if any, may be subject to a possessory interest tax or property taxation if created pursuant to Sections 107 to 108 of the California Revenue and Taxation Code and that **Michael Stratman** and/or the party in whom the possessory interest is vested may be subject to the payment of property taxes levied upon such interests. **Michael Stratman** agrees and acknowledges that they have actual notice pursuant to Section 107.6 of the California Revenue and Taxation Code and that **Michael Stratman** may be required to pay a possessory interest tax as a result of this Permit and Agreement to operate a charter service in conjunction with the Berthing Permit and Rental Agreement for the vessel for Woodley Island Marina. **Michael Stratman** hereby acknowledge that they have actual knowledge of the existence of a possessory interest tax and have read the provision of Section 107 to 108 of the California Revenue and Taxation Code. **Michael Stratman** agrees to and shall pay all possessory interest taxes levied by any governmental agency by reason of this Permit and Agreement and their Berthing Permit and Rental Agreement for their vessel, for Woodley Island Marina.

EXECUTED on, \_\_\_\_\_, 2020, by authority of the Board of Commissioners of the HUMBOLDT BAY HARBOR, RECREATION, AND CONSERVATION DISTRICT.

\_\_\_\_\_

STEPHEN KULLMANN, President  
Board of Commissioners  
HUMBOLDT AY HARBOR, RECREATION,  
AND CONSERVATION

DISTRICT

**Michael Stratman, dba, Redwood Coast Fishing**, as Permittee in this Permit and Agreement hereby accepts and agrees to all terms and conditions herein above set forth.

Dated: 4/6, 2020

By 

MICHAEL STRATMAN, Owner

HUMBOLDT BAY HARBOR,  
RECREATION, AND CONSERVATION DISTRICT  
(707) 443-0801 P.O. BOX 1030, EUREKA, CA 95502-1030

BERTHING PERMIT AND RENTAL AGREEMENT  
FOR WOODLEY ISLAND MARINA  
(30 days or more)

Date Filed: 27 March 2020

Name: Mike Stratman Title: Owner Phone: 707-601-8757

Legal Owner of Vessel: Home Phone:

Legal Owner Home Address: 2330 18<sup>th</sup> Street Eureka Ca 95501

Legal Owner Business Address:

Business Phone: Cellular Phone: Pager Number:

Name of Vessel: Home Port: Vessel Cellular:

Name of Operator: Phone:

Address of Operator:

Registration or Documentation No.: Length: Beam: Draft: Year Built: Builder:

Type:  Inboard  Hull:  Wood  Engine:  Gas  
 Outboard  Metal  Diesel  
 Sail  Fiber Glass  Other  
 Inboard/Outboard  Ferro/Concrete

Propellers:  Single  Twin Make of Engine: H.P.: Radio Call Letters: Liveboard:  Yes  No

Emergency Contacts/Phone #: Yamaha 707-601-8757

THIS AGREEMENT between the undersigned (hereafter called "Lessee") and the Humboldt Bay Harbor, Recreation, and Conservation District (hereafter called "District") is made with reference to the following agreed facts:

- A. The District operates and maintains a marina or moorage facility at Woodley Island, Humboldt Bay, California.
- B. Lessee has read and is familiar with the terms and conditions herein.

NOW, THEREFORE, IT IS AGREED:

1. Premises

District leases to Lessee and Lessee leases from District pursuant to this Agreement Slip No. A-00 at the Woodley Island Marina, Woodley Island, Humboldt Bay, California, (hereafter called "premises") for the use by Lessee for moorage by Lessee of Lessee's vessel described above.

2. Terms

The term of the lease shall commence at 8:00 a.m. on the 1st day of May, 2020 to 8:00 a.m. the 1<sup>st</sup> of the next calendar month following the commencement date and thereafter the term shall be a periodic month to month tenancy from 8:00 a.m. on the first day of each successive calendar month to 8:00 a.m. on the first day of the month following. This tenancy may be terminated by either party by the giving of 30 days prior written notice. District may revoke immediately any berthing assignment permit when Lessee violates any one of the Marina Rules and Regulations or any one of the terms and conditions contained herein.

3. Rent

Lessee shall pay as rent to the District the sum of \$ N/A per calendar month, including all utility surcharge as set by the Board of Commissioners, due and payable in advance on the first day of each calendar month, with no prior notice or demand and free of all claims or off sets, in lawful money of the United States of America. A late charge shall be applied to accounts not paid in full on or before the tenth (10<sup>th</sup>) of the month. One percent (1%) interest shall be applied to the accounts not paid in full by the end of the month. The sum of \$ N/A is due and payable to the District upon execution of this Agreement, of which \$ N/A is the pro-rate portion of the rent from the commencement date to the first day of the month following the commencement date, plus \$ N/A as a security deposit refundable to Lessee upon termination or expiration of the term and upon Lessee's faithful performance of all the terms, covenants and conditions of this Agreement. The security deposit shall be a sum equal to one month's rental charge. It is understood that District may change or increase the moorage rates for said slip by giving Lessee 30 days notice and Lessee shall pay District the new moorage rates 30 days after said notice by District.

Check on (1) where applicable:

- (A) Monthly rental for *exclusive* possession or use of such berth is the sum of \$ per foot, or 25% higher than non-exclusive possession, based upon the length of the slip, length of Lessee's vessel, or combined length of vessels, whichever is greater plus surcharges as set by the Board of Commissioners.
- (B) Monthly rental for *non-exclusive* possession or use of berth is the sum of \$ 5.46 per foot based upon the length of the slip used, length of Lessee's vessel, or combined length of vessels, whichever is greater plus surcharges as set by the Board of Commissioners.
- (C) The sum of \$ which equals twelve (12) months advance payment of \$ per month plus \$ security deposit for *exclusive* possession and use of such berth is the sum of \$ per foot, or 25% higher than *non-exclusive* possession, based upon the length of the slip used, length of lessee's vessel or combined length of vessels, whichever is greater plus surcharges as set by the Board of Commissioners. It is agreed that payment of advance monthly payments shall remain at all times a month to month tenancy. In the event lessee quits the premises for any reason there shall be no refund of any advance monies paid to the District, except there shall be a pro-rate refund if the vessel is destroyed or ownership is sold or transferred.
- (D) The sum of \$ which equals twelve (12) months advance payment of \$ per month plus \$ security deposit for *non-exclusive* possession and use of such berth is the sum of \$ per foot based upon the length of the slip used, length of Lessee's vessel or combined length of vessels, whichever is greater plus surcharges as set by the Board of Commissioners. It is agreed that payment of advance monthly payments shall remain at all times a month to month tenancy. In the event Lessee quits the premises for any reason there shall be no refund of any advance monies paid to the District, except there shall be a pro-rate refund if the vessel is destroyed or ownership is or transferred.
- 4. Holding Over  
If the Lessee holds possession of the premises after notice of termination by the District, Lessee's rental obligation to the District shall be at the transient daily rental rate for lessee's size vessel, until Lessee actually vacates said slip and otherwise upon all of the Agreements herein contained.
- 5. Notice of Possessory Interest Tax  
The Lessee is hereby notified by District that this Permit and Rental Agreement or property interest created herein, if any, may be subject to a possessory interest tax or property taxation if created pursuant to Sections 107 and 108 of the California Revenue and Taxation Code and that Lessee and/or party in whom the possessory interest is vested may be subject to the payment of property taxes levied on such interest.
- 6. Non-Exclusive Use of Berth.  
In the event Lessee's use is based upon a monthly rental for non-exclusive use as designated in paragraph 3 above, possession of the above slip is granted for non-exclusive possession or use of such berth. Non-exclusive possession or use of the slip or berth means a right to the use of a specific slip or berth when such specific slip or berth is also used intermittently by other, even though such possession or right to use such slip or berth is paramount to any use by others. District reserves the right to assign to others the right to use such facility.  
In the event Lessee's vessel will be absent from the slip for a stated period of time of 5 days or more, District may, at its sole option, allow use or sublet of the slip by another vessel for such stated period and District may in its sole and absolute discretion collect moorage fees from another vessel and Lessee shall receive no credit or reimbursement from District except as set forth hereafter. Prior to Lessee's vessel departure from the slip for a stated period of 5 days or more, Lessee shall notify District of the vessel's intended schedule and the District shall have the right to rent the slip to other vessels, including but not limited to transient vessels during Lessee's absence. The District is under no obligation to have the slip clear for Lessee prior to the intended estimated time of arrival unless Lessee notifies the District at least 24 hours in advance of his arrival.
- 7. Exclusive Use of Berth  
In the event Lessee's use is based upon a monthly rental for exclusive use or possession of such berth as designated in paragraph 3 above, District may not sublet the use of the slip to others so long as Lessee is not in default in any of the terms herein.
- 8. Use  
(A) Lessee agrees at all times to use the premises exclusively for the moorage of vessel described herein.  
Lessee further agrees at all times that (1) No vessel moored or berthed within the Woodley Island Marina shall be used as a place of residence and no person shall use the same as a place of residence except the holder of a Live Aboard Permit issued by the District. Living aboard or overnight occupancy of any vessel in the Harbor for more than 3 consecutive nights by any person or persons at any time is strictly prohibited, except for the holder of a Live Aboard Permit issued by the District. No vessel shall be used as a residence except a transient vessel occupying a berth under a temporary assignment for less than thirty (30) days or the holder of a Live Aboard Permit issued by the District. For the purpose of this regulation, any vessel used as a overnight accommodation for 1 or more persons in excess of 3 nights in any 7 day period shall be considered a residence. (2) No children under the age of 13 years are permitted on or

about the premises unless accompanied and supervised by an adult at all times. (3) No unleashed dogs or other pets are permitted on or about the premises at any time. Dogs, cats and other pets are prohibited at all times on vessels holding a Live Aboard Permit. Any person or vessel holding a Live Aboard Permit shall remove all dogs, cats and other pets from the vessel. (4) Major repairs or servicing of the vessel on the premises are prohibited except upon the prior written authorization of the District. (5) No electronic sound amplification instruments or equipment shall be operated on or about the premises. (6) No brokers, peddlers, agents or solicitations shall be permitted on the premises except with the prior written consent of the District. (7) No release or discharge shall be made or permitted from the vessel into any waters of whatsoever while the vessel is in or about the premises. Each live aboard vessel shall comply with all local, federal and State of California laws, rules and regulations, including those pertaining to navigational, marine sanitation devices and safety equipment. Live aboard vessels in the Woodley Island Marina equipped with holding tanks shall deposit all sewage and waste water in to the sewage pumping system provided by the District. (8) No business or commercial enterprise, including charter, shall be operated in or about the premises. (9) That no assignment, transfer, sublease or other disposition of this Agreement or any rights hereunder shall be made by Lessee and any attempt to do so shall be null and void. Vessels shall not be leased or rented to third parties for the purpose of residency. Any transfer, assignment or subletting of the Live Aboard Permit without the written consent of the District is prohibited.

(B) Any non-transient commercial or recreational vessel leasing a berth for a period of 90 days or more shall be required to make application to the District for an annual Live Aboard Permit prior to persons residing or living aboard a vessel. The application shall identify the persons who shall live aboard the vessel.

(C) Lessee agrees that (1) Upon filing of an application for live aboard, an inspection of the vessel's suitability for live aboard. Live aboard vessels shall be in a seaworthy (ocean cruising) condition and of a design suitable for recreational or commercial operation on the waters of the Pacific Ocean. Live Aboard Permits shall not be granted for vessels such as houseboats, barges, floating homes, or other vessels not designed for or safely capable of navigating open waters. Vessels holding a Live Aboard Permit shall be inspected upon reasonable notice by the District at any time to determine if the vessel complies with all local, federal, State of California or District laws, rules and regulations. (2) The location of the live aboard vessel's berth shall be designated by the District and shall be at the convenience of the Marina. The number of permitted live aboard vessels shall not exceed twenty-four (24) in the Woodley Island Marina. (3) Only the registered owner of the vessel, the registered owner's family and crew members and employees of the owner shall be allowed to live on permitted vessels to the numerical limit set by the District. The District shall have the right in the Live Aboard Permit to limit the maximum number of persons living aboard a vessel. (4) No apartments, structures, or writings shall be placed on the exterior of a permitted live aboard vessel without the written permission of the District. (5) Holders of Live Aboard Permits shall agree to enhance Woodley Island Marina security and surveillance assistance to the District by calling attention of District attendant or staff to damage to any vessels on pier, unauthorized persons visiting piers or possible violations of the law. (6) District may issue an annual permit for live aboards upon a vessel. District may at any time forthwith terminate the Live Aboard Permit Agreement or live aboard status of the vessel for cause, non-compliance with the conditions of this Ordinance or the Live Aboard Permit Agreements or by giving thirty (30) days written notice of termination to the Permittee/Lessee.

#### 9. Parking

Lessee may park one motor vehicle only in parking areas designated by the District for boat owners. The District has the right to regulate parking of motor vehicles including guests and invitees of Lessee. The use by Lessee of the District parking areas shall be as a licensee only. Lessee assumes all risk of loss or damage to persons or property, including any motor vehicle, while on District premises.

#### 10. Default

(A) In the event of any default by Lessee in the payment of rent or Lessee's other obligations hereunder, the District may forthwith terminate this Agreement and Lessee's rights hereunder without further notice in which event Lessee shall promptly surrender the premises, remove the vessel and pay to the District all sums to which the District may be entitled, including damages, damage to District's property, reasonable attorney's fees or other expenses or liability incurred by the District by reason of any such default.

(B) As an additional remedy to the District for any such default by Lessee, the District may, without terminating this Agreement, re-enter the slip and take possession thereof, provided, however, that no such re-entry shall be construed as an election to terminate unless written notice to this effect is given by the District to Lessee and the District may remove all persons on the vessel and property therefrom, transfer such property or vessel to a public warehouse, anchorage or elsewhere at the expense of Lessee and relet the premises for the account of Lessee. Lessee shall be responsible to the District for all cost of re-entry, repossession, handling, storage and anchorage charges, attorney's fees, marshal's or sheriff's fees, advertising and any other cost or expense to the District incurred by the District by reason of any default hereunder by Lessee or by reason of the District exercising any of its rights hereunder.

(C) Lessee acknowledges that the District has a lien upon the vessel and any property of Lessee located on the premises or under the control of the District to secure payment and performance of all obligations of Lessee hereunder which lien may be enforced by the District by using the procedure for enforcement of liens for documented vessels.

(D) In the event it is necessary to institute legal proceedings to enforce any of the terms herein, or in the event of the breach of this Agreement by Lessee, Lessee shall pay to District its reasonable attorney's fees as fixed by the court.

#### 11. District Non-Responsibility

The District shall not be liable in any manner or for any cause whatsoever for Lessee's vessel or its contents, gear and equipment thereof, or any loss or damage thereto howsoever occasioned and any use of District facilities, including moorage or storage, shall be at the sole risk of Lessee. Lessee acknowledges and agrees that the District has made and makes no warranties or representations, either expressed or implied, with respect to the present or future suitability or condition of District slips, facilities, walks, ramps, equipment, building, premises or other property under the control of the District. Lessee understands that District premises and facilities are located on lands owned by the District and Lessee agrees to indemnify and hold harmless the District, the Economic Development Administration, the California Department of Boating and Waterways and their respective officers, agents, and employees from and against all claims, demands, liability, damage and loss including attorney's fees actually incurred for injuries or death to persons, or property (including the District) by reason of any matter, act, failure, to act or omission arising out of or relating to the operation, use or possession of Lessee's vessel, this slip or District premises or facilities or parcel leased by Lessee, Lessee's family, agents, employees, business visitors or invitees occurring at any time during the existence of this Agreement.

#### 12. Rules and Regulations

At all times Lessee shall comply and shall obtain the compliance of Lessee's family, agents, employees, business visitors and invitees with all laws, ordinances, rules and regulations including those of the Federal and State Government, the City of Eureka, and the District and the herein Agreement. Furthermore, Lessee shall at all times keep and maintain Lessee's vessel in a seaworthy, safe and clean condition while said vessel is in said slip. Lessee irrevocably authorizes and appoints the District to remove Lessee's vessel and/or to remove any contents, gear or equipment from said slip to any other slip/berth or mooring in Humboldt Bay, or to place the same in storage at Lessee's expense if, in the discretion of the District, it may be necessary for the safety or security of the vessel or District property, or to repair District's facilities or for any other reason and the District shall have no liability for any loss or damage resulting therefrom or for any failure to move the same.

#### 13. Indemnification

District does not hereby assume custody or possession of the vessel nor any responsibility whatsoever for the care or protection of same. Rather, Lessee hereby assumes all risk associated with the use and occupancy of the slip and agrees that District, its Directors, officers, agents and employees shall not be liable for any injury, including death, to any person caused by any use or occupancy of the slip or arising from any accident or fire or other casualty therein or thereabout or from any other cause whatsoever, nor shall District, its Directors, officers, agents or employees be liable for any loss of or damage to any vessel, gear, equipment, fittings, fixtures, contents and other articles belonging to Lessee or located in or about the slip or the marina. Lessee hereby agrees to indemnify and hold District, its Directors, officers, agents and employees harmless from all liability for any such injury, loss, damage, or claim, including, without limitation, reasonable attorney's fees and court costs.

#### 14. Discharge of Waste

No person shall discharge human waste, fish parts, bilgewater, garbage or refuse into the water of Humboldt Bay or upon the marina.

#### 15. Securing Vessel

At all times during which vessel is berthed at the slip, Lessee shall cause it to be safely and properly secured in a manner acceptable to District. If District deems it necessary to resecure the vessel for any reason, Lessee agrees to pay a reasonable service charge for doing so plus the cost of all materials used therefor. However, District assumes no responsibility for the safety of the vessel and shall not be liable for fire, theft, or any damage to the vessel, its equipment, or any property in or on the vessel by reason of District's decision either to resecure the vessel or to not resecure the vessel.

#### 16. Lessee's Care of Slip and Docks

Lessee shall not store any small boats, dinghies, skiffs, bait tanks, boat gear, power lines, water hoses or other personal property whatsoever at the slip (other than aboard the vessel) or on the docks or gangways adjacent to the slip, but shall keep the slip and said docks and gangways in a neat, clean and orderly condition, free and clear of all such items other than power lines and water hoses in use. No wheels, fenders, rubbing strips or other cushioning devices may be attached to a dock for the purpose of protecting hulls, without the prior approval of District. No alterations may be made to the docks by Lessee. No flammable or combustible materials shall be stored or left on the docks of the Marina. Lessee agrees to make a written report to District of any conditions existing on or about the marina which Lessee believes to be a hazardous condition or which might develop into a hazardous condition.

#### 17. Risk of Lessee

This permit and Agreement is for rental of space only, such space to be used at the sole risk of Lessee and the Owner of the aforescribed vessel, and neither the District nor its Board of Harbor Commissioners, its Harbor Master, employees or representatives, shall be responsible or liable to any extent or in any manner for the care or protection of the aforescribed vessel or its gear, equipment, or contents, or for any loss or damage of whatever kind or nature to said vessel, her gear, equipment, or contents howsoever caused or occasioned. Lessee hereby releases the District from all claims and causes of action therefor that exist or may arise in the future.

#### 18. Termination

If the Board of Harbor Commissioners of the District determines that Lessee has failed to comply with the terms and provisions of its permit and Agreement or with the ordinances, rules and regulations promulgated from time to time by the District, for the safety of District's Marina this Permit and Agreement may be terminated forthwith by said Board of Harbor Commissioners of the District upon being so notified in writing by the District, Lessee shall immediately remove his vessel from the assigned berth and out of and away from District's facility.

#### 19. Hold Harmless

Lessee covenants and agrees to indemnify and save harmless the District, its Board of Harbor Commissioners, and its Harbor Master, employees, and representatives, against any and all damages to property or injuries or death of any person or persons arising from Lessee's use of the District's facilities, or from intentional, careless, or negligent acts of conduct (or failure to act) of Lessee or his agents, employees, guests or representatives, and to further defend, indemnify and save harmless the District, its Board of Harbor Commissioners, Harbor Master, employees, and representatives, against any and all claims, actions, proceedings, expenses and liabilities whatsoever arising therefrom or connected therewith.

#### 20. Damage to District Property

Lessee agrees to pay, on demand of District, for all damage done to District's property or facilities by Lessee or the aforescribed vessel or by Lessee's agents, employees, or representatives.

#### 21. Assignment and Subletting

Lessee shall have no right or power whatsoever to assign this Agreement or sublet the slip or any part thereof to any person or party whatsoever or for use by any other vessel whatsoever. No attempted transfer or assignment, whether voluntary or involuntary, by operation of law, under legal process or proceedings, by receivership, in bankruptcy, or otherwise, and no attempted subletting, shall be valid or effective, but shall automatically terminate this Agreement.

#### 22. Sale of Vessel

Any sale or transfer of legal title in and to the vessel above described shall serve as an automatic termination of this Agreement and all rights of Lessee, the new owner of the vessel in and to this Agreement or the berth/slip shall cause and terminate.

#### 23. Tampering with or Boarding Vessels

Lessee, its agents, crew members, and employees shall not injure, damage, break, remove or tamper with any part of any vessel in the Marina, harbor or waterway in Humboldt Bay, or to climb into or upon any vessel without the consent of the owner unless in the performance of official duties or to protect life and/or property.

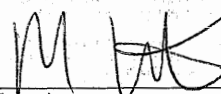
#### 24. Miscellaneous


- (A) Waiver of any provision hereof by the District shall not be deemed a continuing waiver or waiver of any other condition.
- (B) No alteration, amendment or modification hereof shall be effective unless in writing signed by Lessee and the District.
- (C) This is the only Agreement between the parties pertaining or related to the slip and/or Lessee's vessel and no oral agreements exist between the parties as to any matters whatsoever.
- (D) All notices shall be deemed served 72 hours after deposit in the U.S. mails, postage prepaid, certified mail, return receipt requested, addressed to Lessee at the address respective parties as shown herein.
- (E) This Agreement shall be binding upon and inure to the benefit of the parties, their heirs, executors, administrators, successors and assigns.
- (F) District retains the right to add, alter, amend or modify any of the terms and conditions contained herein and said addition, alteration, amendment or modification by District shall become binding upon Lessee forthwith.

#### 25. Marina Regulations

Lessee agrees to all of the provisions, terms and conditions of the Woodley Island Marina Rules and Regulations as stated in Ordinance No.9 of the Humboldt Bay Harbor, Recreation and Conservation District.

Humboldt Bay Harbor, Recreation and Conservation District

  
(Lessee)

By   
Its Marina Manager

Date: 4/8/20

Date: 3/27/2020

Micah Woolworth  
Lost Coast Sportfishing  
4245 Dows Prairie Road  
McKinleyville, CA 95519

April 2, 2020

Humboldt Bay Harbor District  
601 Startare Drive  
Eureka, CA 95501

Dear Humboldt Bay Harbor District,

My name is Micah Woolworth. My desire is to operate Lost Coast Sportfishing, a Sportfishing Charter Business out of Woodley Island. I plan to use the *Norwegian Jewel*, a 25' Parker with a 9.5' beam to pursue and fish for all of the fish in our local waters: Salmon, California Halibut, Pacific Halibut, Albacore, Rockfish, Crab, and Coonstripe Shrimp. I currently rent slip D-4.

I've lived in Humboldt County for twenty years and have been fishing out of Humboldt Bay for eighteen. I have been commercial fishing on the Pacific Northwest since I was sixteen years old (22 years). I have owned and operated River's Edge Fishing Guide Adventures for 12 years. I have fished off of the following vessels out of Eureka, Trinidad, Crescent City, Shelter Cove, and Fort Bragg's Ports:

*Agua Linda*- Owner/Operator as a Salmon Troller (open access permit)

*Panacia*- Longline & Salmon Troller

*Pioneer*- Salmon Troller & Albacore Boat

*The Silver Lady*- Rockfish & Salmon Boat

*The Jeanie 2*- Crab Boat & Salmon Troller

*The Down Under*- Crab Boat

*The Norwegian Jewel*- Owner/Operator- Open-Access Rockfish

Thank you for your time and consideration.

Sincerely,



Micah Woolworth  
Lost Coast Sportfishing  
(707) 601-6652

HUMBOLDT BAY HARBOR, RECREATION  
AND CONSERVATION DISTRICT

PERMIT AND AGREEMENT TO  
OPERATE A CHARTER SERVICE

Startare Drive  
Woodley Island Marina  
P.O. Box 1030  
Eureka, CA 95501

PERMITTEE:  
**Micah Woolworth**  
**dba *Lost Coast Sportfishing***  
**4245 Dows Prairie Rd**  
**McKinleyville, CA 95519**

This Permit and Agreement is executed in triplicate at Woodley Island Marina, Eureka, California, between HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT, hereinafter referred to as "District", and **MICAH WOOLWORTH** an individual, dba ***LOST COAST SPORTFISHING*** hereinafter referred to as "**Micah Woolworth.**"

**WHEREAS, Micah Woolworth** will be the Lessee of Slip Number 4, Float D, at the Woodley Island Marina for a vessel, pursuant to a Berthing Permit and Rental Agreement for the Woodley Island Marina, a copy of which is attached hereto and incorporated by reference as Exhibit "A" hereto; and

**WHEREAS,** on or about April 2, 2020 **Micah Woolworth** made written request to operate the business ***Lost Coast Sportfishing*** on a vessel moored at Slip Number 4, Float D at the Woodley Island Marina; and

**WHEREAS,** Ordinance Number 9, Section 6.7, subparagraph (a) of the District prohibits any commercial endeavor or charter service for hire without a special permit from the District.

**AFTER REVIEW AND CONSIDERATION** thereof by the Board of Commissioners of the District of the application of **Micah Woolworth:**

**THE PARTIES, THEREFORE, AGREE AS FOLLOWS:**

1. District shall permit **Micah Woolworth**, an individual, to operate the business ***Lost Coast Sportfishing*** for the purpose of charter service at the Woodley Island Marina. The charter services shall consist primarily of sport fishing. Diving or diving instruction from or on said vessel shall not be allowed and shall be prohibited at all times at any locations within or without the boundaries of Woodley Island Marina while **Micah Woolworth** operates the business of charter services from the Woodley Island Marina.
2. The term of this Permit and Agreement shall be for one (1) year commencing May 01, 2020 and terminating on April 30, 2021. District or **Micah Woolworth** may terminate this Permit and Agreement by giving sixty (60) days written notice of termination to the other party. District may terminate this Permit and Agreement with **Micah Woolworth** with or without cause or reason by giving **Micah Woolworth** sixty (60) days written notice of termination and **Micah Woolworth** shall terminate his business, as defined in Paragraph 1, (60) days from the date of personal service of said written notice of termination or sixty (60) days from the date of deposit or the written notice of termination deposited, enclosed in a sealed envelope with postage thereon fully prepaid, in the United States mail, and addressed to **Micah Woolworth**, at 4245 Dows Prairie Road, McKinleyville, CA 95519. In the event **Micah Woolworth** is in default of any of the provisions of the Berthing Permit and Rental Agreement for the Woodley Island Marina, a copy of which is attached hereto as Exhibit "A", and **Micah Woolworth's** Berthing Permit is terminated pursuant to said Agreement, this Permit and Agreement to operate a Charter Service shall terminate forthwith on the date of termination of **Micah Woolworth's** Berthing Permit and Rental Agreement for the Woodley Island Marina without the requirement of the hereinabove set forth sixty (60) day notice of termination provisions.
3. In addition to the monthly rental payable by **Micah Woolworth** to the District pursuant to the Berthing Permit and Rental Agreement for the Woodley Island Marina, a copy of which is attached hereto as Exhibit "A", **Micah Woolworth**



shall pay District the sum of two hundred fifty dollars and no cents (\$250.00) per year, however all rates may be changed pursuant to paragraph 3 of the Berthing Permit and Rental Agreement for Woodley Island Marina which provides that the District may change or increase the rates by giving thirty (30) days notice.

4. On or prior to the date of the Agreement, to wit: May 01, 2020, **Micah Woolworth** shall purchase and maintain throughout the term of the Permit and Agreement Commercial General Liability insurance covering **Micah Woolworth** pursuant to the terms of this Permit and Agreement. Said insurance policy of "protection and indemnity insurance" insuring **Micah Woolworth** from liability for bodily injury, death, or property damage as a result of his operation and shall name District as an additional insured and provide District, prior to May 01 each year, with a Certificate of Insurance stating the amount of the insurance and proof that the District is an additional named insured, and the agreement of said insurance company that District shall be notified forthwith of the event of non-payment of the premium or termination of said insurance policy. The amount of insurance shall be One Million Dollars and no cents (\$1,000,000.00) per occurrence. In the event said liability insurance policy referred to in Paragraph 4 is cancelled or terminated, **Micah Woolworth** shall forthwith cease and stop his **Lost Coast Sportfishing** business at District's premises at the Woodley Island Marina and shall not resume operations until said liability insurance policy is fully reinstated and in full force and effect.
5. **Micah Woolworth** shall, prior to commencing operation of **Lost Coast Sportfishing** obtain any and all necessary permits, if applicable, including but not limited to City of Eureka business license, and California Department of Fish and Wildlife licenses.
6. **Micah Woolworth** agrees that neither the Humboldt Bay Harbor, Recreation and Conservation District, nor its Board of Commissioners, nor any Officer of the District shall be liable to any extent for the injury or damages to any person or property or for the death of any person arising out of or connected with **Micah Woolworth** and **Micah Woolworth** shall indemnify and hold harmless District,

its Commissioners, and Officers free and harmless from any liability for any such injury, death or damages. In addition, **Micah Woolworth** agrees to hold harmless, indemnify, and hold District non-responsible for any of **Micah Woolworth's** operations according to the provisions of paragraphs 11, 13, and 19 of the Berthing Permit and Rental Agreement for Woodley Island Marina, a copy of which is attached hereto as Exhibit "A" and incorporated by reference as though set forth in full.

7. **Micah Woolworth** at all times shall comply and shall obtain compliance of Lessee's family, agents, employees, business visitors, and invitees of all laws, ordinances, rules and regulations, including Ordinance No.9, the Woodley Island Marina Rules and Regulations, and those of local, state, and federal government.
8. **Micah Woolworth** at all times shall ensure that walkways and finger piers are not obstructed in any manner. No tires, ropes, canvas, or other material shall be nailed or attached to finger piers, docks, and piles without the written approval of the District. No person shall throw, discharge, or deposit from any vessel or from the shore or float or in any other manner, any fish or shellfish parts into or upon the waters of the Woodley Island Marina or upon the banks, walls, sidewalks, or parking areas within the boundaries of the Woodley Island Marina. No person shall place or leave dead animals, fish, shellfish, bait, or other putrefying matter on or along seawalls, harbor structures, floats, piers, sidewalks, or parking areas within the boundaries of the Woodley Island Marina. Vessel must be kept free of trash and waste product so as not to attract seagulls, sea lions, harbor seals, and other animals. All trash and waste product shall be properly disposed of each day.
9. **Micah Woolworth** may place a sign on the vessel the size of which must be approved by the District's Executive Director. **Micah Woolworth** may place a directional sign for incoming traffic onto Woodley Island Marina in an area approved by the Executive Director. Type and size of all signs are to be approved by the Executive Director of the District and, shall reasonably conform

in size, shape, and colors of the signs heretofore existing on Woodley Island and the Woodley Island Marina.

10. This Permit and Agreement is not transferable or assignable by **Micah Woolworth** without approval in writing by the District. Any transfer of assignment or attempted transfer or assignment of this Permit by **Micah Woolworth** shall be null and void.
11. This Permit and Agreement is non-exclusive, and District retains the right to enter into agreements with and grant permits to other persons or business for the same purposes as set forth in this Permit and Agreement.
12. The covenants and conditions herein contained shall apply to and bind the heirs, legal representatives, successors, and assigns of all of the parties hereto; and all of the parties hereto shall be jointly and severally liable hereunder.
13. Time is of the essence of this Permit and Agreement and of each and every covenant, term, and condition, and provision hereof.
14. **Micah Woolworth** is hereby notified by the District that this Permit and Agreement to Operate ***Lost Coast Sportfishing*** in conjunction with the Berthing Permit and Rental Agreement for a vessel at the Woodley Island Marina or property interests created herein, if any, may be subject to a possessory interest tax or property taxation if created pursuant to Sections 107 to 108 of the California Revenue and Taxation Code and that **Micah Woolworth** and/or the party in whom the possessory interest is vested may be subject to the payment of property taxes levied upon such interests. **Micah Woolworth** agrees and acknowledges that he has actual notice pursuant to Section 107.6 of the California Revenue and Taxation Code and that **Micah Woolworth** may be required to pay a possessory interest tax as a result of this Permit and Agreement to operate a charter service in conjunction with the Berthing Permit and Rental Agreement for the vessels for Woodley Island Marina **Micah Woolworth** hereby acknowledges that he has actual knowledge of the existence of a possessory interest tax and has read the provision of Section 107 to 108 of the California Revenue and Taxation Code. **Micah**

interest taxes levied by any governmental agency by reason of this Permit and Agreement and his Berthing Permit and Rental Agreement for his vessel, for Woodley Island Marina.

EXECUTED on, \_\_\_\_\_, 2020, by authority of the Board of Commissioners of the HUMBOLDT BAY HARBOR, RECREATION, AND CONSERVATION DISTRICT.

RECREATION,  
DISTRICT

\_\_\_\_\_  
STEPHEN KULLMANN, President  
Board of Commissioners  
HUMBOLDT BAY HARBOR,  
AND CONSERVATION

Micah Woolworth, an individual, dba, *Lost Coast Sportfishing*, as Permittee in this Permit and Agreement hereby accepts and agrees to all terms and conditions herein above set forth.

Dated: 4/4/2020, 2020 By   
Micah Woolworth, Owner  
*Lost Coast Sportfishing*

HUMBOLDT BAY HARBOR,  
RECREATION, AND CONSERVATION DISTRICT  
(707) 443-0801 P.O. BOX 1030, EUREKA, CA 95502-1030

BERTHING PERMIT AND RENTAL AGREEMENT  
FOR WOODLEY ISLAND MARINA

(30 days or more)

Date Filed: 5 November 2019

Name: Micah Woolworth Title: Captain Phone: 707-601-6652

Legal Owner of Vessel: Same Home Phone: [REDACTED]

Legal Owner Home Address: 4245 Dows Prairie Rd, Mckinleyville, CA 95519

Legal Owner Business Address: Same

Business Phone: Cellular Phone: 707-601-6652 Pager Number:

Name of Vessel: Norwegian Jewel Home Port: Eureka Vessel Cellular:

Name of Operator: Same Phone:

Address of Operator: Same

Registration or

Documentation No.: CF 0709 HX Length: 32' Beam: 9.6 Draft: 15" Year Built: 2003 Builder: Parker

Type:  Inboard  Outboard  Sail  Inboard/Outboard  
Hull:  Wood  Metal  Fiber Glass  Ferro/Concrete  
Engine:  Gas  Diesel  Other

Propellers:  Single  Twin Make of Engine: Suzuki H.P.: 300 Radio Call Letters: Liveboard:  Yes  No

Emergency Contacts/Phone #: [REDACTED]

THIS AGREEMENT between the undersigned (hereafter called "Lessee") and the Humboldt Bay Harbor, Recreation, and Conservation District (hereafter called "District") is made with reference to the following agreed facts:

- A. The District operates and maintains a marina or moorage facility at Woodley Island, Humboldt Bay, California.
- B. Lessee has read and is familiar with the terms and conditions herein.

NOW, THEREFORE, IT IS AGREED:

1. Premises

District leases to Lessee and Lessee leases from District pursuant to this Agreement Slip No. <sup>0-04 CM</sup> ~~B-11~~ at the Woodley Island Marina, Woodley Island, Humboldt Bay, California, (hereafter called "premises") for the use by Lessee for moorage by Lessee of Lessee's vessel described above.

2. Terms

The term of the lease shall commence at 8:00 a.m. on the 5th day of November, 2019 to 8:00 a.m. the 1st of the next calendar month following the commencement date and thereafter the term shall be a periodic month to month tenancy from 8:00 a.m. on the first day of each successive calendar month to 8:00 a.m. on the first day of the month following. This tenancy may be terminated by either party by the giving of 30 days prior written notice. District may revoke immediately any berthing assignment permit when Lessee violates any one of the Marina Rules and Regulations or any one of the terms and conditions contained herein.

3. Rent

Lessee shall pay as rent to the District the sum of \$ per calendar month, including all utility surcharge as set by the Board of Commissioners, due and payable in advance on the first day of each calendar month, with no prior notice or demand and free of all claims or off sets, in lawful money of the United States of America. A late charge shall be applied to accounts not paid in full on or before the tenth (10th) of the month. One percent (1%) interest shall be applied to the accounts not paid in full by the end of the month. The sum of \$ 3303.00 is due and payable to the District upon execution of this Agreement, of which \$ 0 is the pro-rate portion of the rent from the commencement date to the first day of the month following the commencement date, plus \$ 273.00 as a security deposit refundable to Lessee upon termination or expiration of the term and upon Lessee's faithful performance of all the terms, covenants and conditions of this Agreement. The security deposit shall be a sum equal to one month's rental charge. It is understood that District may change or increase the moorage rates for said slip by giving Lessee 30 days notice and Lessee shall pay District the new moorage rates 30 days after said notice by District.

Check on (1) where applicable:

- (A) Monthly rental for exclusive possession or use of such berth is the sum of \$ per foot, or 25% higher than non-exclusive possession, based upon the length of the slip, length of Lessee's vessel, or combined length of vessels, whichever is greater plus surcharges as set by the Board of Commissioners.
- (B) Monthly rental for non-exclusive possession or use of berth is the sum of \$ per foot based upon the length of the slip used, length of Lessee's vessel, or combined length of vessels, whichever is greater plus surcharges as set by the Board of Commissioners.
- (C) The sum of \$ which equals twelve (12) months advance payment of \$ per month plus \$ security deposit for exclusive possession and use of such berth is the sum of \$ per foot, or 25% higher than non-exclusive possession, based upon the length of the slip used, length of lessee's vessel or combined length of vessels, whichever is greater plus surcharges as set by the Board of Commissioners. It is agreed that payment of advance monthly payments shall remain at all times a month to month tenancy. In the event lessee quits the premises for any reason there shall be no refund of any advance monies paid to the District, except there shall be a pro-rate refund if the vessel is destroyed or ownership is sold or transferred.
- (D) The sum of \$ 3030.00 which equals twelve (12) months advance payment of \$ 252.50 per month plus \$ 273.00 security deposit for non-exclusive possession and use of such berth is the sum of \$ 5.05 per foot based upon the length of the slip used, length of Lessee's vessel or combined length of vessels, whichever is greater plus surcharges as set by the Board of Commissioners. It is agreed that payment of advance monthly payments shall remain at all times a month to month tenancy. In the event Lessee quits the premises for any reason there shall be no refund of any advance monies paid to the District, except there shall be a pro-rate refund if the vessel is destroyed or ownership is or transferred.

4. Holding Over

If the Lessee holds possession of the premises after notice of termination by the District, Lessee's rental obligation to the District shall be at the transient daily rental rate for lessee's size vessel, until Lessee actually vacates said slip and otherwise upon all of the Agreements herein contained.

5. Notice of Possessory Interest Tax

The Lessee is hereby notified by District that this Permit and Rental Agreement or property interest created herein, if any, may be subject to a possessory interest tax or property taxation if created pursuant to Sections 107 and 108 of the California Revenue and Taxation Code and that Lessee and/or party in whom the possessory interest is vested may be subject to the payment of property taxes levied on such interest.

6. Non-Exclusive Use of Berth.

In the event Lessee's use is based upon a monthly rental for non-exclusive use as designated in paragraph 3 above, possession of the above slip is granted for non-exclusive possession or use of such berth. Non-exclusive possession or use of the slip or berth means a right to the use of a specific slip or berth when such specific slip or berth is also used intermittently by other, even though such possession or right to use such slip or berth is paramount to any use by others. District reserves the right to assign to others the right to use such facility.

In the event Lessee's vessel will be absent from the slip for a stated period of time of 5 days or more, District may, at its sole option, allow use or sublet of the slip by another vessel for such stated period and District may in its sole and absolute discretion collect moorage fees from another vessel and Lessee shall receive no credit or reimbursement from District except as set forth hereafter. Prior to Lessee's vessel departure from the slip for a stated period of 5 days or more, Lessee shall notify District of the vessel's intended schedule and the District shall have the right to rent the slip to other vessels, including but not limited to transient vessels during Lessee's absence. The District is under no obligation to have the slip clear for Lessee prior to the intended estimated time of arrival unless Lessee notifies the District at least 24 hours in advance of his arrival.

7. Exclusive Use of Berth

In the event Lessee's use is based upon a monthly rental for exclusive use or possession of such berth as designated in paragraph 3 above, District may not sublet the use of the slip to others so long as Lessee is not in default in any of the terms herein.

8. Use

(A) Lessee agrees at all times to use the premises exclusively for the moorage of vessel described herein. Lessee further agrees at all times that (1) No vessel moored or berthed within the Woodley Island Marina shall be used as a place of residence and no person shall use the same as a place of residence except the holder of a Live Aboard Permit issued by the District. Living aboard or overnight occupancy of any vessel in the Harbor for more than 3 consecutive nights by any person or persons at any time is strictly prohibited, except for the holder of a Live Aboard Permit issued by the District. No vessel shall be used as a residence except a transient vessel occupying a berth under a temporary assignment for less than thirty (30) days or the holder of a Live Aboard Permit issued by the District. For the purpose of this regulation, any vessel used as a overnight accommodation for 1 or more persons in excess of 3 nights in any 7 day period shall be considered a residence. (2) No children under the age of 13 years are permitted on or

about the premises unless accompanied and supervised by an adult at all times. No unleashed dogs or other pets are permitted on or about the premises at any time. Dogs, cats and other pets are prohibited at all times on vessels holding a Live Aboard Permit. Any person or vessel holding a Live Aboard Permit shall remove all dogs, cats and other pets from the vessel. (4) Major repairs or services on the vessel on the premises are prohibited except upon the prior written authorization of the District. (5) No electronic sound amplification instruments or equipment shall be operated on or about the premises. (6) No brokers, peddlers, agents or solicitations shall be permitted on the premises except with the prior written consent of the District. (7) No release or discharge shall be made or permitted from the vessel into any waters of any matter whatsoever while the vessel is in or about the premises. Each live aboard vessel shall comply with all local, federal and State of California laws, rules and regulations, including those pertaining to navigational, marine sanitation devices and safety equipment. Live aboard vessels in the Woodley Island Marina equipped with holding tanks shall deposit all sewage and waste water in to the sewage pumping system provided by the District. (8) No business or commercial enterprise, including charters, shall be operated in or about the premises. (9) That no assignment transfer, sublease or other disposition of this Agreement or any rights hereunder shall be made by Lessee and any attempt to do so shall be null and void. Vessels shall not be leased or rented to third parties for the purpose of residency. Any transfer, assignment or subletting of the Live Aboard Permit without the written consent of the District is prohibited.

(B) Any non-transient commercial or recreational vessel leasing a berth for a period of 30 days or more shall be required to make application to the District for an annual Live Aboard Permit prior to persons residing or living aboard a vessel. The application shall identify the persons who shall live aboard the vessel.

(C) Lessee agrees that (1) Upon filing of an application for live aboard, an inspection of the vessel's suitability for live aboard. Live aboard vessels shall be in a seaworthy (ocean cruising) condition and of a design suitable for recreational or commercial operation on the waters of the Pacific Ocean. Live Aboard Permits shall not be granted for vessels such as houseboats, barges, floating homes, or other vessels not designed for or safely capable of navigating open waters. Vessels holding a Live Aboard Permit shall be inspected upon reasonable notice by the District at any time to determine if the vessel complies with all local, federal, State of California or District laws, rules and regulations. (2) The location of the live aboard vessel's berth shall be designated by the District and shall be at the convenience of the Marina. The number of permitted live aboard vessels shall not exceed twenty-four (24) in the Woodley Island Marina. (3) Only the registered owner of the vessel, the registered owner's family and crew members and employees of the owner shall be allowed to live on permitted vessels to the numerical limit set by the District. The District shall have the right in the Live Aboard Permit to limit the maximum number of persons living aboard a vessel. (4) No appurtenances, structures, or writings shall be placed on the exterior of a permitted live aboard vessel without the written permission of the District. (5) Holders of Live Aboard Permits shall agree to enhance Woodley Island Marina security and surveillance assistance to the District by calling attention of District attendant or staff to damage to any vessels on pier, unauthorized persons visiting piers or possible violations of the law. (6) District may issue an annual permit for live aboards upon a vessel. District may at any time forthwith terminate the Live Aboard Permit Agreement or live aboard status of the vessel for cause, non-compliance with the conditions of this Ordinance or the Live Aboard Permit Agreement or by giving thirty (30) days written notice of termination to the Permittee/Lessee.

#### 9. Parking

Lessee may park one motor vehicle only in parking areas designated by the District for boat owners. The District has the right to regulate parking of motor vehicles including guests and invitees of Lessee. The use by Lessee of the District parking areas shall be as a licensee only. Lessee assumes all risk of loss or damage to persons or property, including any motor vehicle, while on District premises.

#### 10. Default

(A) In the event of any default by Lessee in the payment of rent or Lessee's other obligations hereunder, the District may forthwith terminate this Agreement and Lessee's rights hereunder without further notice in which event Lessee shall promptly surrender the premises, remove the vessel and pay to the District all sums to which the District may be entitled, including damages, damage to District's property, reasonable attorney's fees or other expenses or liability incurred by the District by reason of any such default.

(B) As an additional remedy to the District for any such default by Lessee, the District may, without terminating this Agreement, re-enter the slip and take possession thereof; provided, however, that no such re-entry shall be construed as an election to terminate unless written notice to this effect is given by the District to Lessee and the District may remove all persons on the vessel and property therefrom, transfer such property or vessel to a public warehouse, anchorage or elsewhere at the expense of Lessee and relet the premises for the account of Lessee. Lessee shall be responsible to the District for all cost of re-entry, repossession, handling, storage and anchorage charges, attorney's fees, marshal's or sheriff's fees, advertising and any other cost or expense to the District incurred by the District by reason of any default hereunder by Lessee or by reason of the District exercising any of its rights hereunder.

(C) Lessee acknowledges that the District has a lien upon the vessel and any property of Lessee located on the premises or under the control of the District to secure payment and performance of all obligations of Lessee hereunder which lien may be enforced by the District by using the procedure for enforcement of liens for documented vessels.

(D) In the event it is necessary to institute legal proceedings to enforce any of the terms herein, or in the event of the breach of this Agreement by Lessee, Lessee shall pay to District its reasonable attorney's fees as fixed by the court.

#### 11. District Non-Responsibility

The District shall not be liable in any manner or for any cause whatsoever for Lessee's vessel or its contents, gear and equipment thereof, or any loss or damage thereto howsoever occasioned and any use of District facilities, including moorage or storage, shall be at the sole risk of Lessee. Lessee acknowledges and agrees that the District has made and makes no warranties or representations, either expressed or implied, with respect to the present or future suitability or condition of District slips, facilities, walks, ramps, equipment, building, premises or other property under the control of the District. Lessee understands that District premises and facilities are located on lands owned by the District and Lessee agrees to indemnify and hold harmless the District, the Economic Development Administration, the California Department of Boating and Waterways and their respective officers, agents, and employees from and against all claims, demands, liability, damage and loss including attorney's fees actually incurred for injuries or death to persons, or property (including the District) by reason of any matter, act, failure, to act or omission arising out of or relating to the operation, use or possession of Lessee's vessel, this slip or District premises of facilities or parcel leased by Lessee, Lessee's family, agents, employees, business visitors or invitees occurring at any time during the existence of this Agreement.

#### 12. Rules and Regulations

At all times Lessee shall comply and shall obtain the compliance of Lessee's family, agents, employees, business visitors and invitees with all laws, ordinances, rules and regulations including those of the Federal and State Government, the City of Eureka, and the District and the herein Agreement. Furthermore, Lessee shall at all times keep and maintain Lessee's vessel in a seaworthy, safe and clean condition while said vessel is in said slip. Lessee irrevocably authorizes and appoints the District to remove Lessee's vessel and/or to remove any contents, gear or equipment from said slip to any other slip/berth or mooring in Humboldt Bay, or to place the same in storage at Lessee's expense if, in the discretion of the District, it may be necessary for the safety or security of the vessel or District property, or to repair District's facilities or for any other reason and the District shall have no liability for any loss or damage resulting therefrom or for any failure to move the same.

#### 13. Indemnification

District does not hereby assume custody or possession of the vessel nor any responsibility whatsoever for the care or protection of same. Rather, Lessee hereby assumes all risk associated with the use and occupancy of the slip and agrees that District, its Directors, officers, agents and employees shall not be liable for any injury, including death, to any person caused by any use or occupancy of the slip or arising from any accident or fire or other casualty therein or thereabout or from any other cause whatsoever, nor shall District, its Directors, officers, agents or employees be liable for any loss of or damage to any vessel, gear, equipment, fittings, fixtures, contents and other articles belonging to Lessee or located in or about the slip or the marina. Lessee hereby agrees to indemnify and hold District, its Directors, officers, agents and employees harmless from all liability for any such injury, loss, damage, or claim, including, without limitation, reasonable attorney's fees and court costs.

#### 14. Discharge of Waste

No person shall discharge human waste, fish parts, bilgewater, garbage or refuse into the water of Humboldt Bay or upon the marina.

#### 15. Securing Vessel

At all times during which vessel is berthed at the slip, Lessee shall cause it to be safely and properly secured in a manner acceptable to District. If District deems it necessary to resecure the vessel for any reason, Lessee agrees to pay a reasonable service charge for doing so plus the cost of all materials used therefor. However, District assumes no responsibility for the safety of the vessel and shall not be liable for fire, theft, or any damage to the vessel, its equipment, or any property in or on the vessel by reason of District's decision either to resecure the vessel or to not resecure the vessel.

#### 16. Lessee's Care of Slip and Docks

Lessee shall not store any small boats, dinghies, skiffs, bait tanks, boat gear, power lines, water hoses or other personal property whatsoever at the slip (other than aboard the vessel) or on the docks or gangways adjacent to the slip, but shall keep the slip and said docks and gangways in a neat, clean and orderly condition, free and clear of all such items other than power lines and water hoses in use. No wheels, fenders, rubbing strips or other cushioning devices may be attached to a dock for the purpose of protecting hulls, without the prior approval of District. No alterations may be made to the docks by Lessee. No flammable or combustible materials shall be stored or left on the docks of the Marina. Lessee agrees to make a written report to District of any conditions existing on or about the marina which Lessee believes to be a hazardous condition or which might develop into a hazardous condition.

#### 17. Risk of Lessee

This permit and Agreement is for rental of space only, such space to be used at the sole risk of lessee and the Owner of the aforementioned vessel, and neither the District nor its Board of Harbor Commissioners, its Harbor Master, employees or representatives, shall be responsible or liable to any extent or in any manner for the care or protection of the aforementioned vessel or its gear, equipment, or contents, or for any loss or damage of whatever kind or nature to said vessel, her gear, equipment, or contents howsoever caused or occasioned. Lessee hereby releases the District from all claims and causes of action, therefore that exist or may arise in the future.

#### 18. Termination

If the Board of Harbor Commissioners of the District determines that Lessee has failed to comply with the terms and provisions of its permit and Agreement or with the ordinances, rules and regulations promulgated from time to time by the District, for the safety of District's Marina this Permit and Agreement may be terminated forthwith by said Board of Harbor commissioners of the District upon being so notified in writing by the District, Lessee shall immediately remove his vessel from the assigned berth and out of and away from District's facility.

#### 19. Hold Harmless

Lessee covenants and agrees to indemnify and save harmless the District, its Board of Harbor Commissioners, and its Harbor Master, employees, and representatives, against any and all damages to property or injuries or death of any person or persons arising from Lessee's use of the District's facilities, or from intentional, careless, or negligent acts of conduct (or failure to act) of Lessee or his agents, employees, guests or representatives, and to further defend, indemnify and save harmless the District, its Board of Harbor Commissioners, Harbor Master, employees, and representatives, against any and all claims, actions, proceedings, expenses and liabilities whatsoever arising therefrom or connected therewith.

#### 20. Damage to District Property

Lessee agrees to pay, on demand of District, for all damage done to District's property or facilities by Lessee or the aforementioned vessel or by Lessee's agents, employees, or representatives.

#### 21. Assignment and Subletting

Lessee shall have no right or power whatsoever to assign this Agreement or sublet the slip or any part thereof to any person or party whatsoever or for use by any other vessel whatsoever. No attempted transfer or assignment, whether voluntary or involuntary, by operation of law, under legal process or proceedings, by receivership, in bankruptcy, or otherwise, and no attempted subletting, shall be valid or effective, but shall automatically terminate this Agreement.

#### 22. Sale of Vessel

Any sale or transfer of legal title in and to the vessel above described shall serve as an automatic termination of this Agreement and all rights of Lessee, the new owner of the vessel in and to this Agreement or the berth/slip shall cease and terminate.

#### 23. Tampering with or Boarding Vessels

Lessee, its agents, crew members, and employees shall not injure, damage, break, remove or tamper with any part of any vessel in the Marina, harbor or waterway in Humboldt Bay, or to climb into or upon any vessel without the consent of the owner unless in the performance of official duties or to protect life and/or property.

#### 24. Miscellaneous

(A) Waiver of any provision hereof by the District shall not be deemed a continuing waiver or waiver of any other condition.

(B) No alteration, amendment or modification hereof shall be effective unless in writing signed by Lessee and the District.

(C) This is the only Agreement between the parties pertaining or related to the slip and/or Lessee's vessel and no oral agreements exist between the parties as to any matters whatsoever.

(D) All notices shall be deemed served 72 hours after deposit in the U.S. mails, postage prepaid, certified mail, return receipt requested, addressed to Lessee at the address respective parties as shown herein.

(E) This Agreement shall be binding upon and inure to the benefit of the parties, their heirs, executors, administrators, successors and assigns.

(F) District retains the right to add to, alter, amend or modify any of the terms and conditions contained herein and said addition, alteration, amendment or modification by District shall become binding upon Lessee forthwith.

#### 25. Marina Regulations

Lessee agrees to all of the provisions, terms and conditions of the Woodley Island Marina Rules and Regulations as stated in Ordinance No.9 of the Humboldt Bay Harbor, Recreation and Conservation District.

Humboldt Bay Harbor, Recreation, and Conservation District

By

Its Marina Manager

Date:

11-5-19

(Lessee)

Date:

11-5-2019

March 18, 2020

Executive Director Larry Oetker  
Humboldt Bay Harbor, Recreation and Conservation District  
P.O. Box 1030  
Eureka, California 95502-1030

Subject: Applicant for Charter Business Operation

Dear Commissioners,

The reason I am writing is to demonstrate my interest in operating a charter business at the Humboldt Bay Harbor, Recreation and Conservation District marina (specifically D Dock). My name is Jeff Stackhouse, a current resident of Fortuna and a third-year part time fishing charter. I am licensed (USCG and CDFW) and bonded and have seven years of waterfowl guiding experience which parallels the two seasons of charter experience nicely.

I have a full-time job working at the Humboldt/Del Norte University of California Cooperative Extension office as the Livestock and Natural Resources Advisor, hence the part-time nature of the Stackhouse Guide Service. With these unique skillsets, I was also appointed in fall of 2019 to serve on the Humboldt County Fish and Game Advisory Commission to the Board of Supervisors. For more information about Stackhouse Guide Business, please see the websites and/or contact information below:

Stackhouse Guide Service  
<https://stackhouseguideservice.wordpress.com/>  
<https://www.facebook.com/stackhouseguideservice/>  
2867 Shields Ln, Fortuna, CA 95540  
(530) 945-9620

I appreciate all the work the Harbor District does for all users of the bay, both recreational and commercial, and look forward to potentially utilizing your marina facilities as a hub for my charter operation into the future.

Sincerely,



Jeff Stackhouse  
Stackhouse Guide Service

HUMBOLDT BAY HARBOR, RECREATION  
AND CONSERVATION DISTRICT

PERMIT AND AGREEMENT TO  
OPERATE A CHARTER SERVICE

Startare Drive  
Woodley Island Marina  
P.O. Box 1030  
Eureka, CA 95501

PERMITTEE:  
**Jeff Stackhouse**  
**dba *Stackhouse Guide Service***  
**2867 Shields Ln**  
**Fortuna, CA 95540**

This Permit and Agreement is executed in triplicate at Woodley Island Marina, Eureka, California, between HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT, hereinafter referred to as "District", and **JEFF STACKHOUSE** an individual, dba ***STACKHOUSE GUIDE SERVICE*** hereinafter referred to as "**Jeff Stackhouse.**"

**WHEREAS, Jeff Stackhouse** will be the Lessee of Slip Number 14, Float D, at the Woodley Island Marina for a vessel, pursuant to a Berthing Permit and Rental Agreement for the Woodley Island Marina, a copy of which is attached hereto and incorporated by reference as Exhibit "A" hereto; and

**WHEREAS,** on or about March 18, 2020 **Jeff Stackhouse** made written request to operate the business ***Stackhouse Guide Service*** on a vessel moored at Slip Number 14, Float D at the Woodley Island Marina; and

**WHEREAS,** Ordinance Number 9, Section 6.7, subparagraph (a) of the District prohibits any commercial endeavor or charter service for hire without a special permit from the District.

**AFTER REVIEW AND CONSIDERATION** thereof by the Board of Commissioners of the District of the application of **Jeff Stackhouse:**



**THE PARTIES, THEREFORE, AGREE AS FOLLOWS:**

1. District shall permit **Jeff Stackhouse**, an individual, to operate the business **Stackhouse Guide Service** for the purpose of charter service at the Woodley Island Marina. The charter services shall consist primarily of sport fishing. Diving or diving instruction from or on said vessel shall not be allowed and shall be prohibited at all times at any locations within or without the boundaries of Woodley Island Marina while **Jeff Stackhouse** operates the business of charter services from the Woodley Island Marina.
2. The term of this Permit and Agreement shall be for one (1) year commencing May 01, 2020 and terminating on April 30, 2021. District or **Jeff Stackhouse** may terminate this Permit and Agreement by giving sixty (60) days written notice of termination to the other party. District may terminate this Permit and Agreement with **Jeff Stackhouse** with or without cause or reason by giving **Jeff Stackhouse** sixty (60) days written notice of termination and **Jeff Stackhouse** shall terminate his business, as defined in Paragraph 1, (60) days from the date of personal service of said written notice of termination or sixty (60) days from the date of deposit or the written notice of termination deposited, enclosed in a sealed envelope with postage thereon fully prepaid, in the United States mail, and addressed to **Jeff Stackhouse**, at 2867 Shields Lane, Fortuna, CA 95540. In the event **Jeff Stackhouse** is in default of any of the provisions of the Berthing Permit and Rental Agreement for the Woodley Island Marina, a copy of which is attached hereto as Exhibit "A", and **Jeff Stackhouse's** Berthing Permit is terminated pursuant to said Agreement, this Permit and Agreement to operate a Charter Service shall terminate forthwith on the date of termination of **Jeff Stackhouse's** Berthing Permit and Rental Agreement for the Woodley Island Marina without the requirement of the hereinabove set forth sixty (60) day notice of termination provisions.
3. In addition to the monthly rental payable by **Jeff Stackhouse** to the District pursuant to the Berthing Permit and Rental Agreement for the Woodley Island Marina, a copy of which is attached hereto as Exhibit "A", **Jeff Stackhouse**

shall pay District the sum of two hundred fifty dollars and no cents (\$250.00) per year, however all rates may be changed pursuant to paragraph 3 of the Berthing Permit and Rental Agreement for Woodley Island Marina which provides that the District may change or increase the rates by giving thirty (30) days notice.

4. On or prior to the date of the Agreement, to wit: May 01, 2020, **Jeff Stackhouse** shall purchase and maintain throughout the term of the Permit and Agreement Commercial General Liability insurance covering **Jeff Stackhouse** pursuant to the terms of this Permit and Agreement. Said insurance policy of "protection and indemnity insurance" insuring **Jeff Stackhouse** from liability for bodily injury, death, or property damage as a result of his operation and shall name District as an additional insured and provide District, prior to May 01 each year, with a Certificate of Insurance stating the amount of the insurance and proof that the District is an additional named insured, and the agreement of said insurance company that District shall be notified forthwith of the event of non-payment of the premium or termination of said insurance policy. The amount of insurance shall be One Million Dollars and no cents (\$1,000,000.00) per occurrence. In the event said liability insurance policy referred to in Paragraph 4 is cancelled or terminated, **Jeff Stackhouse** shall forthwith cease and stop his **Stackhouse Guide Service** business at District's premises at the Woodley Island Marina and shall not resume operations until said liability insurance policy is fully reinstated and in full force and effect.
5. **Jeff Stackhouse** shall, prior to commencing operation of **Stackhouse Guide Service**, obtain any and all necessary permits, if applicable, including but not limited to City of Eureka business license, and California Department of Fish and Wildlife licenses.
6. **Jeff Stackhouse** agrees that neither the Humboldt Bay Harbor, Recreation and Conservation District, nor its Board of Commissioners, nor any Officer of the District shall be liable to any extent for the injury or damages to any person or property or for the death of any person arising out of or connected with **Jeff Stackhouse** and **Jeff Stackhouse** shall indemnify and hold harmless District,

its Commissioners, and Officers free and harmless from any liability for any such injury, death or damages. In addition, **Jeff Stackhouse** agrees to hold harmless, indemnify, and hold District non-responsible for any of **Jeff Stackhouse's** operations according to the provisions of paragraphs 11, 13, and 19 of the Berthing Permit and Rental Agreement for Woodley Island Marina, a copy of which is attached hereto as Exhibit "A" and incorporated by reference as though set forth in full.

7. **Jeff Stackhouse** at all times shall comply and shall obtain compliance of Lessee's family, agents, employees, business visitors, and invitees of all laws, ordinances, rules and regulations, including Ordinance No.9, the Woodley Island Marina Rules and Regulations, and those of local, state, and federal government.
8. **Jeff Stackhouse** at all times shall ensure that walkways and finger piers are not obstructed in any manner. No tires, ropes, canvas, or other material shall be nailed or attached to finger piers, docks, and piles without the written approval of the District. No person shall throw, discharge, or deposit from any vessel or from the shore or float or in any other manner, any fish or shellfish parts into or upon the waters of the Woodley Island Marina or upon the banks, walls, sidewalks, or parking areas within the boundaries of the Woodley Island Marina. No person shall place or leave dead animals, fish, shellfish, bait, or other putrefying matter on or along seawalls, harbor structures, floats, piers, sidewalks, or parking areas within the boundaries of the Woodley Island Marina. Vessel must be kept free of trash and waste product so as not to attract seagulls, sea lions, harbor seals, and other animals. All trash and waste product shall be properly disposed of each day.
9. **Jeff Stackhouse** may place a sign on the vessel the size of which must be approved by the District's Executive Director. **Jeff Stackhouse** may place a directional sign for incoming traffic onto Woodley Island Marina in an area approved by the Executive Director. Type and size of all signs are to be approved by the Executive Director of the District and, shall reasonably conform

in size, shape, and colors of the signs heretofore existing on Woodley Island and the Woodley Island Marina.

10. This Permit and Agreement is not transferable or assignable by **Jeff Stackhouse** without approval in writing by the District. Any transfer of assignment or attempted transfer or assignment of this Permit by **Jeff Stackhouse** shall be null and void.
11. This Permit and Agreement is non-exclusive and District retains the right to enter into agreements with and grant permits to other persons or business for the same purposes as set forth in this Permit and Agreement.
12. The covenants and conditions herein contained shall apply to and bind the heirs, legal representatives, successors, and assigns of all of the parties hereto; and all of the parties hereto shall be jointly and severally liable hereunder.
13. Time is of the essence of this Permit and Agreement and of each and every covenant, term, and condition, and provision hereof.
14. **Jeff Stackhouse** is hereby notified by the District that this Permit and Agreement to Operate **Stackhouse Guide Service** in conjunction with the Berthing Permit and Rental Agreement for a vessel at the Woodley Island Marina or property interests created herein, if any, may be subject to a possessory interest tax or property taxation if created pursuant to Sections 107 to 108 of the California Revenue and Taxation Code and that **Jeff Stackhouse** and/or the party in whom the possessory interest is vested may be subject to the payment of property taxes levied upon such interests. **Jeff Stackhouse** agrees and acknowledges that he has actual notice pursuant to Section 107.6 of the California Revenue and Taxation Code and that **Jeff Stackhouse** may be required to pay a possessory interest tax as a result of this Permit and Agreement to operate a charter service in conjunction with the Berthing Permit and Rental Agreement for the vessels for Woodley Island Marina. **Jeff Stackhouse** hereby acknowledges that he has actual knowledge of the existence of a possessory interest tax and has read the provision of Section 107 to 108 of the California Revenue and Taxation Code. **Jeff Stackhouse** agrees

to and shall pay all possessory interest taxes levied by any governmental agency by reason of this Permit and Agreement and his Berthing Permit and Rental Agreement for his vessel, for Woodley Island Marina.

**EXECUTED on, \_\_\_\_\_, 2020, by authority of the Board of Commissioners of the HUMBOLDT BAY HARBOR, RECREATION, AND CONSERVATION DISTRICT.**

\_\_\_\_\_  
**STEPHEN KULLMANN, President  
Board of Commissioners  
HUMBOLDT BAY HARBOR, RECREATION,  
AND CONSERVATION DISTRICT**

**Jeff Stackhouse, an individual, dba, *Stackhouse Guide Service***, as Permittee in this Permit and Agreement hereby accepts and agrees to all terms and conditions herein above set forth.

Dated: April 4, 2020

By   
**Jeff Stackhouse, Owner  
*Stackhouse Guide Service***

HUMBOLDT BAY HARBOR,  
RECREATION, AND CONSERVATION DISTRICT  
(707) 443-0801 P.O. BOX 1030, EUREKA, CA 95502-1030

BERTHING PERMIT AND RENTAL AGREEMENT  
FOR WOODLEY ISLAND MARINA  
(30 days or more)

Date Filed: 27 March 2020

Name: Jeff Stackhouse Title: Owner Phone: 530-945-9620

Legal Owner of Vessel: Home Phone:

Legal Owner Home Address: 2867 Shields Ln, Fortuna Ca 95540

Legal Owner Business Address:

Business Phone: Cellular Phone: Pager Number:

Name of Vessel: Gorilla Home Port: Eureka Vessel Cellular:

Name of Operator: Phone:

Address of Operator:

Registration or

Documentation No.: CE 4069 VI Length: 24 Beam: 8 Draft: 3.5 Year Built: 1998 Builder:

Type:  Inboard Hull:  Wood Engine:  Gas  
 Outboard  Metal  Diesel  
 Sail  Fiber Glass  Other  
 Inboard/Outboard  Ferro/Concrete

Propellers:  Single  Twin Make of Engine: Yamaha H.P.: 250 Radio Call Letters: Liveaboard:  Yes  No

Emergency Contacts/Phone #: [REDACTED]

THIS AGREEMENT between the undersigned (hereafter called "Lessee") and the Humboldt Bay Harbor, Recreation, and Conservation District (hereafter called "District") is made with reference to the following agreed facts:

- A. The District operates and maintains a marina or moorage facility at Woodley Island, Humboldt Bay, California.
- B. Lessee has read and is familiar with the terms and conditions herein.

NOW, THEREFORE, IT IS AGREED:

1. Premises

District leases to Lessee and Lessee leases from District pursuant to this Agreement Slip No. D14 at the Woodley Island Marina, Woodley Island, Humboldt Bay, California, (hereafter called "premises") for the use by Lessee for moorage by Lessee of Lessee's vessel described above.

2. Terms

The term of the lease shall commence at 8:00 a.m. on the 1st day of May, 2020 to 8:00 a.m. the 1<sup>st</sup> of the next calendar month following the commencement date and thereafter the term shall be a periodic month to month tenancy from 8:00 a.m. on the first day of each successive calendar month to 8:00 a.m. on the first day of the month following. This tenancy may be terminated by either party by the giving of 30 days prior written notice. District may revoke immediately any berthing assignment permit when Lessee violates any one of the Marina Rules and Regulations or any one of the terms and conditions contained herein.

3. Rent

Lessee shall pay as rent to the District the sum of \$ 136.50 per calendar month, including all utility surcharge as set by the Board of Commissioners, due and payable in advance on the first day of each calendar month, with no prior notice or demand and free of all claims or off sets, in lawful money of the United States of America. A late charge shall be applied to accounts not paid in full on or before the tenth (10<sup>th</sup>) of the month. One percent (1%) interest shall be applied to the accounts not paid in full by the end of the month. The sum of \$ 273.00 is due and payable to the District upon execution of this Agreement, of which \$ is the pro-rate portion of the rent from the commencement date to the first day of the month following the commencement date, plus \$ 136.50 as a security deposit refundable to Lessee upon termination or expiration of the term and upon Lessee's faithful performance of all the terms, covenants and conditions of this Agreement. The security deposit shall be a sum equal to one month's rental charge. It is understood that District may change or increase the moorage rates for said slip by giving Lessee 30 days notice and Lessee shall pay District the new moorage rates 30 days after said notice by District.

Check on (1) where applicable:

- (A) Monthly rental for exclusive possession or use of such berth is the sum of \$ per foot, or 25% higher than non-exclusive possession, based upon the length of the slip, length of Lessee's vessel, or combined length of vessels, whichever is greater plus surcharges as set by the Board of Commissioners.
- (B) Monthly rental for non-exclusive possession or use of berth is the sum of \$ 5.46 per foot based upon the length of the slip used, length of Lessee's vessel, or combined length of vessels, whichever is greater plus surcharges as set by the Board of Commissioners.
- (C) The sum of \$ which equals twelve (12) months advance payment of \$ per month plus \$ security deposit for exclusive possession and use of such berth is the sum of \$ per foot, or 25% higher than non-exclusive possession, based upon the length of the slip used, length of Lessee's vessel or combined length of vessels, whichever is greater plus surcharges as set by the Board of Commissioners. It is agreed that payment of advance monthly payments shall remain at all times a month to month tenancy. In the event Lessee quits the premises for any reason there shall be no refund of any advance monies paid to the District, except there shall be a pro-rate refund if the vessel is destroyed or ownership is sold or transferred.
- (D) The sum of \$ which equals twelve (12) months advance payment of \$ per month plus \$ security deposit for non-exclusive possession and use of such berth is the sum of \$ per foot based upon the length of the slip used, length of Lessee's vessel or combined length of vessels, whichever is greater plus surcharges as set by the Board of Commissioners. It is agreed that payment of advance monthly payments shall remain at all times a month to month tenancy. In the event Lessee quits the premises for any reason there shall be no refund of any advance monies paid to the District, except there shall be a pro-rate refund if the vessel is destroyed or ownership is or transferred.

4. Holding Over

If the Lessee holds possession of the premises after notice of termination by the District, Lessee's rental obligation to the District shall be at the transient daily rental rate for Lessee's size vessel, until Lessee actually vacates said slip and otherwise upon all of the Agreements herein contained.

5. Notice of Possessory Interest Tax

The Lessee is hereby notified by District that this Permit and Rental Agreement or property interest created herein, if any, may be subject to a possessory interest tax or property taxation if created pursuant to Sections 107 and 108 of the California Revenue and Taxation Code and that Lessee and/or party in whom the possessory interest is vested may be subject to the payment of property taxes levied on such interest.

6. Non-Exclusive Use of Berth.

In the event Lessee's use is based upon a monthly rental for non-exclusive use as designated in paragraph 3 above, possession of the above slip is granted for non-exclusive possession or use of such berth. Non-exclusive possession or use of the slip or berth means a right to the use of a specific slip or berth when such specific slip or berth is also used intermittently by other, even though such possession or right to use such slip or berth is paramount to any use by others. District reserves the right to assign to others the right to use such facility.

In the event Lessee's vessel will be absent from the slip for a stated period of time of 5 days or more, District may, at its sole option, allow use or sublet of the slip by another vessel for such stated period and District may in its sole and absolute discretion collect moorage fees from another vessel and Lessee shall receive no credit or reimbursement from District except as set forth hereafter. Prior to Lessee's vessel departure from the slip for a stated period of 5 days or more, Lessee shall notify District of the vessel's intended schedule and the District shall have the right to rent the slip to other vessels, including but not limited to transient vessels during Lessee's absence. The District is under no obligation to have the slip clear for Lessee prior to the intended estimated time of arrival unless Lessee notifies the District at least 24 hours in advance of his arrival.

7. Exclusive Use of Berth

In the event Lessee's use is based upon a monthly rental for exclusive use or possession of such berth as designated in paragraph 3 above, District may not sublet the use of the slip to others so long as Lessee is not in default in any of the terms herein.

8. Use

(A) Lessee agrees at all times to use the premises exclusively for the moorage of vessel described herein. Lessee further agrees at all times that (1) No vessel moored or berthed within the Woodley Island Marina shall be used as a place of residence and no person shall use the same as a place of residence except the holder of a Live Aboard Permit issued by the District. Living aboard or overnight occupancy of any vessel in the Harbor for more than 3 consecutive nights by any person or persons at any time is strictly prohibited, except for the holder of a Live Aboard Permit issued by the District. No vessel shall be used as a residence except a transient vessel occupying a berth under a temporary assignment for less than thirty (30) days or the holder of a Live Aboard Permit issued by the District. For the purpose of this regulation, any vessel used as an overnight accommodation for 1 or more persons in excess of 3 nights in any 7 day period shall be considered a residence. (2) No children under the age of 13 years are permitted on or

about the premises unless accompanied and supervised by an adult at all times. (3) No unleashed dogs or other pets are permitted on or about the premises at any time. Dogs, cats and other pets are prohibited at all times on vessels holding a Live Aboard Permit. Any person or vessel holding a Live Aboard Permit shall remove all dogs, cats and other pets from the vessel. (4) Major repairs or servicing of the vessel on the premises are prohibited except upon the prior written authorization of the District. (5) No electronic sound amplification instruments or equipment shall be operated on or about the premises. (6) No smokers, peddlers, agents or solicitations shall be permitted on the premises except with the prior written consent of the District. (7) No release or discharge shall be made or permitted from the vessel into any waters of any matter whatsoever while the vessel is in or about the premises. Each live aboard vessel shall comply with all local, federal and State of California laws, rules and regulations, including those pertaining to navigational, marine sanitation devices and safety equipment. Live aboard vessels in the Woodley Island Marina equipped with holding tanks shall deposit all sewage and waste water in to the sewage pumping system provided by the District. (8) No business or commercial enterprise, including charters, shall be operated in or about the premises. (9) That no assignment, transfer, sublease or other disposition of this Agreement or any rights hereunder shall be made by Lessee and any attempt to do so shall be null and void. Vessels shall not be leased or rented to third parties for the purpose of residency. Any transfer, assignment or subletting of the Live Aboard Permit without the written consent of the District is prohibited.

(B) Any non-transient commercial or recreational vessel leasing a berth for a period of 30 days or more shall be required to make application to the District for an annual Live Aboard Permit prior to persons residing or living aboard a vessel. The application shall identify the persons who shall live aboard the vessel.

(C) Lessee agrees that (1) Upon filing of an application for live aboard, an inspection of the vessel's suitability for live aboard. Live aboard vessels shall be in a seaworthy (ocean cruising) condition and of a design suitable for recreational or commercial operation on the waters of the Pacific Ocean. Live Aboard Permits shall not be granted for vessels such as houseboats, barges, floating homes, or other vessels not designed for or safely capable of navigating open waters. Vessels holding a Live Aboard Permit shall be inspected upon reasonable notice by the District at any time to determine if the vessel complies with all local, federal, State of California or District laws, rules and regulations. (2) The location of the live aboard vessel's berth shall be designated by the District and shall be at the convenience of the Marina. The number of permitted live aboard vessels shall not exceed twenty-four (24) in the Woodley Island Marina. (3) Only the registered owner of the vessel, the registered owner's family and crew members and employees of the owner shall be allowed to live on permitted vessels to the numerical limit set by the District. The District shall have the right in the Live Aboard Permit to limit the maximum number of persons living aboard a vessel. (4) No appliances, structures, or writings shall be placed on the exterior of a permitted live aboard vessel without the written permission of the District. (5) Holders of Live Aboard Permits shall agree to enhance Woodley Island Marina security and surveillance assistance to the District by calling attention of District attendant or staff to damage to any vessels on pier, unauthorized persons visiting piers or possible violations of the law. (6) District may issue an annual permit for live aboards upon a vessel. District may at any time forthwith terminate the Live Aboard Permit Agreement or live aboard status of the vessel for cause, non-compliance with the conditions of this Ordinance or the Live Aboard Permit Agreement or by giving thirty (30) days written notice of termination to the Permittee/Lessee.

#### 9. Parking

Lessee may park one motor vehicle only in parking areas designated by the District for boat owners. The District has the right to regulate parking of motor vehicles including guests and invitees of Lessee. The use by Lessee of the District parking areas shall be as a licensee only. Lessee assumes all risk of loss or damage to persons or property, including any motor vehicle, while on District premises.

#### 10. Default

(A) In the event of any default by Lessee in the payment of rent or Lessee's other obligations hereunder, the District may forthwith terminate this Agreement and Lessee's rights hereunder without further notice in which event Lessee shall promptly surrender the premises, remove the vessel and pay to the District all sums to which the District may be entitled, including damages, damage to District's property, reasonable attorney's fees or other expenses or liability incurred by the District as a result of any such default.

(B) As an additional remedy to the District for any such default by Lessee, the District may, without terminating this Agreement, re-enter the slip and take possession thereof, provided, however, that no such re-entry shall be construed as an election to terminate unless written notice to this effect is given by the District to Lessee and the District may remove all persons on the vessel and property therefrom, transfer such property or vessel to a public warehouse, anchorage or elsewhere at the expense of Lessee and retake the premises for the account of Lessee. Lessee shall be responsible to the District for all cost of re-entry, repossession, handling, storage and anchorage charges, attorney's fees, marshal's or sheriff's fees, advertising and any other cost or expense to the District incurred by the District by reason of any default hereunder by Lessee or by reason of the District exercising any of its rights hereunder.

(C) Lessee acknowledges that the District has a lien upon the vessel and any property of Lessee located on the premises or under the control of the District to secure payment and performance of all obligations of Lessee hereunder which lien may be enforced by the District by using the procedure for enforcement of liens for documented vessels.

(D) In the event it is necessary to institute legal proceedings to enforce any of the terms herein, or in the event of the breach of this Agreement by Lessee, Lessee shall pay to District its reasonable attorney's fees as fixed by the court.

#### 11. District Non-Responsibility

The District shall not be liable in any manner or for any cause whatsoever for Lessee's vessel or its contents, gear and equipment thereof, or any loss or damage thereto howsoever occasioned and any use of District facilities, including moorage or storage, shall be at the sole risk of Lessee. Lessee acknowledges and agrees that the District has made and makes no warranties or representations, either expressed or implied, with respect to the present or future suitability or condition of District slips, facilities, walks, ramps, equipment, building, premises or other property under the control of the District. Lessee understands that District premises and facilities are located on lands owned by the District and Lessee agrees to indemnify and hold harmless the District, the Economic Development Administration, the California Department of Boating and Waterways and their respective officers, agents, and employees from and against all claims, demands, liability, damage and loss including attorney's fees actually incurred for injuries or death to persons, or property (including the District) by reason of any matter, act, failure, to act or omission arising out of or relating to the operation, use or possession of Lessee's vessel, this slip or District premises or facilities or parcel leased by Lessee, Lessee's family, agents, employees, business visitors or invitees occurring at any time during the existence of this Agreement.

#### 12. Rules and Regulations

At all times Lessee shall comply and shall obtain the compliance of Lessee's family, agents, employees, business visitors and invitees with all laws, ordinances, rules and regulations including those of the Federal and State Government, the City of Eureka, and the District and the herein Agreement. Furthermore, Lessee shall at all times keep and maintain Lessee's vessel in a seaworthy, safe and clean condition while said vessel is in said slip. Lessee irrevocably authorizes and appoints the District to remove Lessee's vessel and/or to remove any contents, gear or equipment from said slip to any other slip/berth or mooring in Humboldt Bay, or to place the same in storage at Lessee's expense if, in the discretion of the District, it may be necessary for the safety or security of the vessel or District property, or to repair District's facilities or for any other reason and the District shall have no liability for any loss or damage resulting therefrom or for any failure to move the same.

#### 13. Indemnification

District does not hereby assume custody or possession of the vessel nor any responsibility whatsoever for the care or protection of same. Rather, Lessee hereby assumes all risk associated with the use and occupancy of the slip and agrees that District, its Directors, officers, agents and employees shall not be liable for any injury, including death, to any person caused by any use or occupancy of the slip or arising from any accident or fire or other casualty therein or thereabout or from any other cause whatsoever, nor shall District, its Directors, officers, agents or employees be liable for any loss of or damage to any vessel, gear, equipment, fittings, fixtures, contents and other articles belonging to Lessee or located in or about the slip or the marina. Lessee hereby agrees to indemnify and hold District, its Directors, officers, agents and employees harmless from all liability for any such injury, loss, damage, or claim, including, without limitation, reasonable attorney's fees and court costs.

#### 14. Discharge of Waste

No person shall discharge human waste, fish parts, bilgewater, garbage or refuse into the water of Humboldt Bay or upon the marina.

#### 15. Securing Vessel

At all times during which vessel is berthed at the slip, Lessee shall cause it to be safely and properly secured in a manner acceptable to District. If District deems it necessary to resecure the vessel for any reason, Lessee agrees to pay a reasonable service charge for doing so plus the cost of all materials used therefor. However, District assumes no responsibility for the safety of the vessel and shall not be liable for fire, theft, or any damage to the vessel, its equipment, or any property in or on the vessel by reason of District's decision either to resecure the vessel or to not resecure the vessel.

#### 16. Lessee's Care of Slip and Docks

Lessee shall not store any small boats, dinghies, skiffs, bait tanks, boat gear, power lines, water hoses or other personal property whatsoever at the slip (other than aboard the vessel) or on the docks or gangways adjacent to the slip, but shall keep the slip and said docks and gangways in a neat, clean and orderly condition, free and clear of all such items other than power lines and water hoses in use. No wheels, fenders, rubbing strips or other cushioning devices may be attached to a dock for the purpose of protecting hulls, without the prior approval of District. No alterations may be made to the docks by Lessee. No flammable or combustible materials shall be stored or left on the docks of the Marina. Lessee agrees to make a written report to District of any conditions existing on or about the marina which Lessee believes to be a hazardous condition or which might develop into a hazardous situation.

#### 17. Risk of Lessee

This permit and Agreement is for rental of space only, such space to be used at the sole risk of Lessee and the Owner of the vessel and the District nor its Board of Harbor Commissioners, its Harbor Master, employees or representatives, shall be responsible or liable to any person for the care or protection of the vessel or its gear, equipment, or contents, or for any loss or damage of whatever kind or nature to said vessel, her gear, equipment, or contents howsoever caused or occasioned. Lessee hereby releases the District from all claims and causes of action therefore that exist or may arise in the future.

#### 18. Termination

If the Board of Harbor Commissioners of the District determines that Lessee has failed to comply with the terms and provisions of its permit and Agreement or with the ordinances, rules and regulations promulgated from time to time by the District, for the safety of District's Marina this Permit and Agreement may be terminated forthwith by said Board of Harbor Commissioners of the District upon being so notified in writing by the District, Lessee shall immediately remove his vessel from the assigned berth and out of and away from District's facility.

#### 19. Hold Harmless

Lessee covenants and agrees to indemnify and save harmless the District, its Board of Harbor Commissioners, and its Harbor Master, employees, and representatives, against any and all damages to property or injuries or death of any person or persons arising from Lessee's use of the District's facilities, or from intentional, careless, or negligent acts of conduct (or failure to act) of Lessee or his agents, employees, guests or representatives, and to further defend, indemnify and save harmless the District, its Board of Harbor Commissioners, Harbor Master, employees, and representatives, against any and all claims, actions, proceedings, expenses and liabilities whatsoever arising therefrom or connected therewith.

#### 20. Damage to District Property

Lessee agrees to pay, on demand of District, for all damage done to District's property or facilities by Lessee or the vessel or by Lessee's agents, employees, or representatives.

#### 21. Assignment and Subletting

Lessee shall have no right or power whatsoever to assign this Agreement or sublet the slip or any part thereof to any person or party whatsoever or for use by any other vessel whatsoever. No attempted transfer or assignment, whether voluntary or involuntary, by operation of law, under legal process or proceedings, by receivership, in bankruptcy, or otherwise, and no attempted subletting, shall be valid or effective, but shall automatically terminate this Agreement.

#### 22. Sale of Vessel

Any sale or transfer of legal title in and to the vessel above described shall serve as an automatic termination of this Agreement and all rights of Lessee, the new owner of the vessel in and to this Agreement or the berth/slip shall cease and terminate.

#### 23. Tampering with or Boarding Vessels

Lessee, its agents, crew members, and employees shall not injure, damage, break, remove or tamper with any part of any vessel in the Marina, harbor or waterway in Humboldt Bay, or to climb into or upon any vessel without the consent of the owner unless in the performance of official duties or to protect life and/or property.

#### 24. Miscellaneous

(A) Waiver of any provision hereof by the District shall not be deemed a continuing waiver or waiver of any other condition.

(B) No alteration, amendment or modification hereof shall be effective unless in writing signed by Lessee and the District.

(C) This is the only Agreement between the parties pertaining or related to the slip and/or Lessee's vessel and no oral agreements exist between the parties as to any matters whatsoever.

(D) All notices shall be deemed served 72 hours after deposit in the U.S. mails, postage prepaid, certified mail, return receipt requested, addressed to Lessee at the address respective parties as shown herein.

(E) This Agreement shall be binding upon and inure to the benefit of the parties, their heirs, executors, administrators, successors and assigns.

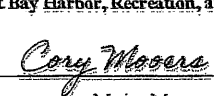
(F) District retains the right to add to, alter, amend or modify any of the terms and conditions contained herein and said addition, alteration, amendment or modification by District shall become binding upon Lessee forthwith.

#### 25. Marina Regulations

Lessee agrees to all of the provisions, terms and conditions of the Woodley Island Marina Rules and Regulations as stated in Ordinance No. 9 of the Humboldt Bay Harbor, Recreation and Conservation District.

### Humboldt Bay Harbor, Recreation, and Conservation District

  
(Lessee)

By   
Its Marina Manager

Date: 3/31/20

Date: 3/27/2020

## COMMISSIONERS

1<sup>st</sup> Division

Larry Doss

2<sup>nd</sup> Division

Greg Dale

3<sup>rd</sup> Division

Stephen Kullmann

4<sup>th</sup> Division

Richard Marks

5<sup>th</sup> Division

Patrick Higgins

**Humboldt Bay**  
**Harbor, Recreation and Conservation District**  
 (707)443-0801  
 P.O. Box 1030  
 Eureka, California 95502-1030



**STAFF REPORT – HARBOR DISTRICT MEETING**  
**April 23, 2020**

**TO:** Honorable Board President and Harbor District Board Members

**FROM:** Larry Oetker, Executive Director

**DATE:** April 3, 2020

**TITLE: Consider Authorizing the Executive Director to Execute a Lease Agreement with Reincke Marine Fabrication to operate the Fields Landing Boat Yard (Roll Call Vote)**

**RECOMMENDATION:** Staff recommends the Board: Authorize the Executive Director to execute a lease agreement with Reincke Marine Fabrication.

**BACKGROUND:** In October 2019, the Board authorized the release of a request for proposals to lease the District's Fields Landing Boat Yard site operations. The District currently directly operates the boat yard as a do it yourself work yard. Customers have the option of either trailering in or having their vessel hauled out by the District's 150-ton mobile straddle travel lift. The Project operates under Coastal Development Permit 80-P-21 from the California Coastal Commission which allows haul outs from the existing finger piers, approximately seven (7) acre boat repair facility, including a wash down area, boat works areas, restrooms, parking area, travel ways, drainage systems, catch basin and office.

In October 2019, the area between the finger piers was dredged to a depth of 14 feet (beginning 150 feet from the end of the finger piers to the federal navigation channel.) The established a dredge fee for each haul out to provide funding for future dredging events. It is my understanding that since the Boat Yard opened in the early 1980's, and that the District has both directly managed and contracted with a private company to operate the Boat Yard. The District has been actively seeking a private party to operate the Fields Landing Boat Yard for several years.

**DISCUSSION:** The draft terms sheet for the proposed lease that was included in the April 9, 2020 Board Agenda packet is included as Attachment A. At the boards request the full lease is being drafted and will be made available online as a supplemental attachment to this Staff Report by Wednesday, April 22<sup>nd</sup>. The District received the comment letters included as Attachment B prior to the publication of this Staff Report.

One of the Districts top goals is to provide a full-service boatyard/marine services facility, with do-it-yourself capabilities, at the District owned boat yard property in Fields Landing, California. The Project needs to ensure that the community has the physical resources and services to support resilient, independent and economically productive commercial, recreational, research and safety/security marine-dependent activities.

The Project is intended to service local and transient commercial and recreational vessels for short- and long-term maintenance, repair and overhaul needs, including emergency haul-out and repair. Also, the Project is to provide a safe means to remove derelict vessels from the water to minimize negative



environmental and other impacts, and to create new and improved economic opportunities in the local and regional economies. An additional objective is to provide deep water access for the District's adjacent Coastal Dependent Industrial property.

Attachments:

- A. Draft Lease Term Sheet from April 9, 2020 Staff Report
- B. Public Comment letters
- C. Draft Lease Agreement will be available as a supplement attachment by Wednesday, April 22nd

HUMBOLDT BAY HARBOR, RECREATION,  
AND CONSERVATION DISTRICT  
Term Sheet

April 2, 2020

**PROJECT NAME:** Reincke Marine Fabrication

**PROJECT LOCATION:** Fields Landing Boat Yard (FLBY)

**LESSEE:** Tod Reincke

**LESSOR:** Humboldt Bay Harbor, Recreation and Conservation District

**PURPOSE:** The purpose of this document is not to bind or legally obligate any party. Instead it is intended to identify terms and conditions of a lease of those areas shown the attached Exhibit 'A'.

One of the Districts top goals is to provide a full-service boatyard/marine services facility, with do-it-yourself capabilities, at the District owned boat yard property in Fields Landing, California (the "Project"). The Project needs to ensure that the community has the physical resources and services to support resilient, independent and economically productive commercial, recreational, research and safety/security marine-dependent activities.

The Project is intended to service local and transient commercial and recreational vessels for short- and long-term maintenance, repair and overhaul needs, including emergency haul-out and repair. Also, the Project is to provide a safe means to remove derelict vessels from the water to minimize negative environmental and other impacts, and to create new and improved economic opportunities in the local and regional economies. An additional objective is to provide deep water access for the District's adjacent Coastal Dependent Industrial property.

**KEY CONDITIONS:** The LESSOR and LESEE agree to the following general lease terms:

1. Lease **approximately xxx Acres AREA WILL BE UPDATED WITH SUPPLEMENTAL MAP** of Land including approximately 7,000 sq. ft. of office and shop space of those areas identified as **ATTACHMENT MAP WILL BE INCLUDED AS A SUPPLEMENTAL TO THE STAFF REPORT PRIOR TO THE MEETING)** on the attached Exhibit 'A'
2. Equipment: Lease include the use of the following District owned equipment:
  - a. 1 - 150-ton Travel Lift
  - b. 1 - 3-ton Forklift
  - c. 1- 3,500 psi pressure washer and 1 – 4,000 psi pressure washer

d. Various height boat stands

The Harbor District may utilize the equipment at no cost with advance notice and coordination with Lessee.

3. Base Rent                    05/01/2020 – 12/31/2020 \$3,400.00 per month  
   01/01/2021 – 12/31/2021 \$5,000.00 per month  
   01/01/2022 – 12/31/2022 \$6,000.00 per month  
   01/01/2023 – 04/30/2024 \$7,000.00 per month
4. Option Rent: For each year of the renewal term, the base rent shall be increased by a percentage equal to the percentage change in the Consumer Price Index published by the United States Bureau of Labor Statistics of the United States Department of Labor for the most recent twelve months available thirty (30) days prior to the anniversary date, however by no less than Two percent (2%).
5. Lease Term: Four (4) years with One option to renew for Four (4) additional years
6. Commencement Date: May 1, 2020, provided Tenant brings all open accounts with District to a current status.
7. Utility Meters: Upon commencement of Lease, Tenant shall ensure all utility meters, with the exception of the industrial wastewater discharge meter, are placed in Tenant's Name and shall pay before delinquency for all utilities delivered to and consumed on the premises.
8. Security Deposit: Tenant shall place on Deposit with Lessor an amount equivalent to one months' Base Rent. For the purpose herein the Rent has been averaged to be \$5,650.00. Any previously paid Deposit shall be credited toward this Security Deposit.
9. Maintain the District's Travel-Lift, forklift, pressure washer, buildings and facilities to the standards outlined in the District's Preventative Maintenance Schedule and facilities minimum Stormwater and Industrial Wastewater Prevention Best Management Practices which may change from time to time to reflect Documentation.
10. Revised lease to be drafted by LESSOR for LESSEE's review and execution.
11. Each party shall, to the maximum extent allowed by law, indemnify, defend, and hold each other harmless from and against any and all claims, demands, liabilities, actions, judgments, costs and expenses, for injury to person, real property, or personal property arising from (i) a party's breach of the lease, (ii) a party's use of the leased premises, including without limitation, a party's use of the equipment, (iii) any negligent or intentional act or omission by a party, except to the extent caused by the sole negligence or intentional act by the other party. The particular indemnity language shall be negotiated between the parties and, in any event, shall survive termination of the lease and shall not be limited to the extent or availability of any insurance.

**The LESSOR will:**

1. Deliver shop and office premises as-is, broom clean condition by May 1<sup>st</sup>
2. Replace the existing failed “Insulated Glass Units” within 30 days of Lessee bringing their account current with the District.
3. Cause to improve operation of the roll-up door for the cost and method identified per the attached Exhibit ‘B’ after 07/01/2020 but before 10/01/20.
4. Establish a preventive maintenance schedule and operating procedures and monitors Lessee’s implementation of the District owned 150-ton Travel-Lift, Travel lift dock, buildings, and boat yard. Such maintenance shall be conducted and paid by Lessee in cooperation with Lessor.
5. Establish and monitor Lessee’s Stormwater and Industrial Wastewater Prevention Best Management Practices. Such maintenance shall be conducted and paid by Lessee in cooperation with Lessor. The Lessor will be responsible for the pretreatment system and all laboratory testing.
6. Relocate District vessels and equipment out of the lease area identified on Exhibit B as Area “B” by May 1, 2021. All vessels and equipment located outside of Area “B” shall be removed from the lease area to District’s retained area by October 1, 2020. District shall have the right to utilize and operate the Travel-lift, forklift, and pressure washer by District staff at no charge with reasonable advance notice during the relocation timeframes. The Harbor District may utilize the forklift and pressure washer during the term of the lease at no cost with advance notice and prior approval of Lessee.
7. Authorize the Executive Director to enter a contract with Lessor to demolish and properly disposed all or portions of the abandoned vessels located within the lease area. As part of Lessee’s proposal which was submitted as part of a properly noticed Request for Proposals, the Lessee proposed demolishing the following vessels for a price not to exceed:
  - a. NO. 1 \$3,400;
  - b. NO. 5 for \$3,400;
  - c. NO. 9 for \$5,180;
  - d. NO. 11 for \$9,860; and
  - e. NO. 14 for \$5,120
  - f. Other vessels on a time and materials basis.

The Numbers described above are as painted on the vessel hulls. The above contract is conditioned upon the District receiving authorization from the State Department of Boating and Waterway to be reimburse the District for the demolition costs. No work

can proceed without the District providing a written "Notice to Proceed". All work shall be completed by August 1, 2020.

**The LESEE will:**

1. Bring account to \$0.00 balance prior to May 1, 2020.
2. Provide District at no cost vessels repair space within the indoor shop and/or outdoor work yard at District's choice for three (3) up to seven (7) consecutive day periods per calendar year. Associated with these repairs the District shall receive at no cost, three (3) travel lift hauls, launches, and yard movements.
3. Charge the District \$200 round trip (haul & launch) and \$150 per interior yard moves. District will provide a minimum of 48 hours advance notice.
4. Provide a minimum of five (5) work yard spaces up to 110 feet in length for self-help customers on an as needed bases and at a rent not to exceed market rate and allow contractors to work on self-help yard boats provided the contractors follow all required best management practices and standard operating procedures.
5. Collect Dredge Surcharge fee for each haul and launch as outlined in the most recent Harbor District Board approved fee schedule and transfer payment to District within 30 days of collection.
6. Control ingress and egress into the facility and shall have the District's advance authorization to relocate entrance gate and all fence to match the lessee's facility management objectives. Lessee shall ensure unobstructed access between the travel lift dock and the District's retained area.
7. Lessee shall provide District with an access code to the main entrance gate and allow District Staff full access to the exterior work yard including travel lift dock. District will not interfere with Lessee full utilization of the yard.
8. Have authority to restrict/prohibit access to anyone.
9. Utilize the vessel Luigi for entryway signage provide that all hazardous materials are removed, and the exterior is maintained in an aesthetically pleasing manner
10. Maintain adequate insurance for Lessee's use and operation of the leased premises and the equipment at reasonable levels to be approved by Lessor and Lessor's insurer and included in the lease, including policies of insurance covering the equipment, the property and improvements thereon, worker's compensation, and commercial general liability. With exception of the worker's compensation insurance, each policy of insurance shall name the Lessor as an additional insured. Certificates evidencing the agreed upon levels and policies of insurance shall be evidenced by Certificates of Insurance provided and approved by Lessor prior to commencement of the lease.

Terms Accepted by:

Name: \_\_\_\_\_ Title: \_\_\_\_\_

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Humboldt Bay Harbor, Recreation, and Conservation District:

Name: Larry Oetker Title: Executive Director

Signature: \_\_\_\_\_ Date: \_\_\_\_\_



April 9, 2020

Humboldt Bay Harbor Commissioners

RE: Fields Landing Boat Yard Request for Proposal

Greetings To All:

The Fields Landing yard is one of the most valuable assets that the Harbor District owns and very important to the west coast commercial fishing fleet. I understand the District's position regarding costs of operating the yard and the need to make a change.

The original RFQ that was sent out in January for the Fields Landing yard was very vague and confusing. The proposal that is currently being discussed is completely different than the original proposal. Not one local marine contractor in this area has been contacted regarding the latest proposal, and this will affect their businesses and the customers they work with.

Humboldt Bay is known on the west coast for this unique and skilled group of marine mechanics. The Fisherman's Marketing Association was not aware that the Harbor District was proposing any changes in the Fields Landing boat yard operations. This is of great concern. Three local contractors approached me asking where the RFP is for the demolition of the derelict boats. I, also, have not seen the RFP.

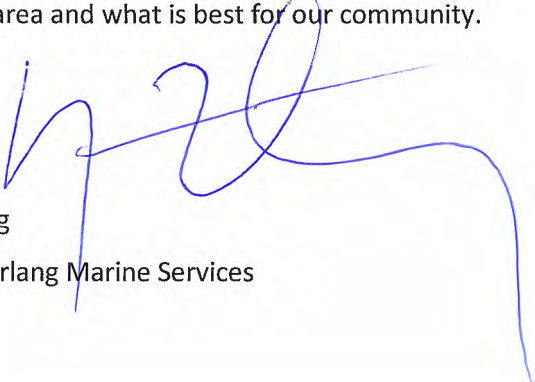
The increase of fees being charged by the District is a major concern with the current fishing fleet; and I know of two boat owners that are moving not only their boats, but their families, out of this area. We don't believe any other major changes should be made without discussion at this time.

The lease that the District is proposing for property, buildings, and equipment is way under value and makes it look like a government-subsidized operation.

I and others would request that this venture be postponed until the Covid-19 virus pandemic is controlled and a committee can be set up and meet to determine what is best for not only the commercial fishing fleet and the Harbor District, but this area as a whole.

I'm a very large supporter of the Harbor District (not easy at times!) and have and will continue to help where I can. I do believe that the Harbor District is creating a bad situation here due to lack of planning and thought.

I'm not writing this because I am worried about or don't want competition. I am most concerned about the general area and what is best for our community.



Leroy Zerlang

Zerlang & Zerlang Marine Services

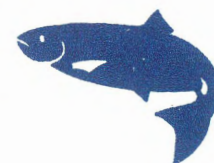
# HUMBOLDT FISHERMEN'S MARKETING ASSOCIATION, INC.

3 Commercial Street  
Eureka, California 95501-0241



(707) 443-0537

FAX (707) 443-1724



**RECEIVED**

APR 14 2020

**H.B.H.R. & C.D.**

April 14, 2020

To whom it may concern:

Humboldt Fishermen's Marketing Association has represented its members and fishing fleet concerns at large since 1955. It has been the long standing policy of the HFMA Board of Directors to submit our public comments on various topics on HFMA stationary in written form. Our members and the fishing community greatly appreciate our collective opportunity to participate in discussion within the public forum, we just prefer to comment in writing. To avoid any additional confusion Humboldt Fishermen's Marketing Association is not the "Fishermen's Marketing Association" referenced in a recent public comment letter submitted to the Humboldt Bay Harbor District concerning agenda item No. 3 b. HFMA has no position on agenda item 3 b. Thank you.

By unanimous consent,  
Humboldt Fishermen's Marketing Association Board of Directors



COMMISSIONERS

1<sup>st</sup> Division

Larry Doss

2<sup>nd</sup> Division

Greg Dale

3<sup>rd</sup> Division

Stephen Kullmann

4<sup>th</sup> Division

Richard Marks

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Patrick Higgins

**Humboldt Bay**  
**Harbor, Recreation and Conservation District**  
(707)443-0801  
P.O. Box 1030  
Eureka, California 95502-1030



**STAFF REPORT – HARBOR DISTRICT MEETING**  
**April 23, 2020**

**TO:** Honorable Board President and Harbor District Board Members

**FROM:** Larry Oetker, Executive Director

**DATE:** April 17, 2020

**TITLE:** **Accept the Audit Report for the 2018-2019 Fiscal Year**

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**RECOMMENDATION:** Staff recommends the Board: Accept the Audit Report for the 2018-2019 Fiscal Year.

**BACKGROUND:** Independent auditors report prepared by Harshwal & Company LLP for the fiscal year ending June 30<sup>th</sup>, 2019. The Dredge Surcharge report was prepared by Mark Wetzel, the District Treasurer.

**DISCUSSION:**

Attachments:

- A. 2018-2019 Audited Financial Statements
- B. 2018-2019 Dredging Surcharge Funds

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**HUMBOLDT BAY HARBOR, RECREATION AND  
CONSERVATION DISTRICT**

**BASIC FINANCIAL STATEMENTS  
REQUIRED SUPPLEMENTARY INFORMATION  
AND SUPPLEMENTARY INFORMATION**

**YEAR ENDED JUNE 30, 2019**

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**HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT**  
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## INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners  
Humboldt Bay Harbor, Recreation and Conservation District  
Eureka, California

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the business-type activities of Humboldt Bay Harbor, Recreation and Conservation District (the District) as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America as well as accounting systems prescribed by the State of California Controller's Office and state regulations governing special districts; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the State of California Controller's Minimum Audit Requirements and Reporting Guidelines for California Special Districts. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of Humboldt Bay Harbor, Recreation and Conservation District as of June 30, 2019, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### Other Matters

#### Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 11 and schedule of proportionate share of the net OPEB Liability, schedule of the District's proportionate share of the net pension liability, and schedule of pension contributions on pages 38 through 40 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Humboldt Bay Harbor, Recreation and Conservation District's basic financial statements. The supplementary information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The supplementary information, as listed in the table of contents, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information, as listed in the table of contents, is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

*Other Reporting Required by Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 21, 2020, on our consideration of Humboldt Bay Harbor, Recreation and Conservation District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

*Harshwal & Company LLP*

Oakland, California  
February 21, 2020

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

**HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2019**

This section of the Humboldt Bay Harbor, Recreation and Conservation District's annual financial report represents our discussion and analysis of the District's financial activities for the year ended June 30, 2019. Please read it in conjunction with the Independent Auditor's Report and the District's basic financial statements, which follow this section.

**FINANCIAL HIGHLIGHTS**

- The District's operating revenues increased by \$185,914, or 8.2 percent.
- The District's operating expenses increased by \$148,107, or 3.9 percent, mainly due to increases in utilities and other expenses.
- General revenues from taxes, interest, grant and other income accounted for \$1,602,557 in revenues or 39.45% of all revenues.
- The District had total expenditures of \$4,265,062 and total revenue of \$4,062,288. The resulting decrease in net position of \$202,774 includes net government grant income of \$12,441, depreciation expense in the amount of \$785,273 and expenses for repair and operations of the Redwood Terminal 2 in the amount of \$225,235.
- Notes payable has decreased \$284,277 from the prior fiscal year due to scheduled debt service payments.

**USING THIS ANNUAL REPORT**

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements comprise two components: the government-wide financial statements and the notes to the financial statements. This report also contains supplementary information in addition to the basic financial statements themselves.

The basic financial statements are government-wide financial statements that provide both long-term and short-term information about the District's overall financial status.

The financial statements also include notes that provide additional information that is essential to a full understanding of the data provided in the government-wide financial statements.

In addition to the basic financial statements and accompanying notes, this report also presents a section of required supplementary information that further explains and supports the information in the financial statements.



**HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2019**

**Reporting the District as a Whole**

The District as a whole is reported in the government-wide statements and uses accounting methods similar to those used by companies in the private sector. All of the District's assets and liabilities are included in the Statement of Net Position. The Statement of Revenues, Expenses, and Changes in Net Position reports all of the current year's revenues and expenses regardless of when cash is received or paid.

These statements report the District's net position and how they have changed. The District's financial health or position (net position) can be measured by the difference between the District's assets and liabilities.

- Increases or decreases in the net position of the District over time are indicators of whether its financial position is improving or deteriorating, respectively.

Additional non-financial factors such as the condition of buildings and other facilities, and changes in the property tax base of the District need to be considered in assessing the overall health of the District.

**Reporting the District's Most Significant Funds**

The District's financial statements provide detailed information about the District's one fund.

*Enterprise Fund:*

Because a large portion of the District's revenues are obtained from various charges to customers, all of the District's activities are accounted for in an enterprise fund, which is a proprietary fund type. Enterprise funds provide both long and short-term financial information.

**THE DISTRICT AS A WHOLE**

Our analysis below focuses on the net position (Table 1) and changes in net position (Table 2) of the District's activities.

**HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

Table 1  
Comparative Statement of Net Position

	<u>June 30, 2019</u>	<u>June 30, 2018 (Restated)</u>	<u>Increase (Decrease)</u>
<b>Assets:</b>			
Cash	\$ 1,318,049	\$ 1,540,158	\$ (222,109)
Receivable	300,575	314,141	(13,566)
Other Assets	6,566	6,252	314
New Market Loan Receivable	5,849,375	5,849,375	-
Capital Assets Net	<u>11,294,481</u>	<u>11,973,515</u>	<u>(679,034)</u>
Total Assets	<u>18,769,046</u>	<u>19,683,441</u>	<u>(914,395)</u>
<b>Deferred Outflows of Resources</b>			
Pension	266,965	325,335	(58,370)
OPEB	1,584	-	1,584
Bond Refunding	<u>22,183</u>	<u>26,395</u>	<u>(4,212)</u>
Total Deferred Outflow of Resources	<u>290,732</u>	<u>351,730</u>	<u>(60,998)</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 19,059,778</u>	<u>\$ 20,035,171</u>	<u>\$ (975,393)</u>
<b>Liabilities</b>			
Payables and Other Liabilities	\$ 369,926	\$ 398,912	\$ (28,986)
Unearned Income	4,625,955	4,960,451	(334,496)
Environment Remediation Liability	73,147	76,502	(3,355)
Current Portion of Long-Term Debt	442,626	1,299,472	(856,846)
Net Pension Liability	921,868	941,780	(19,912)
Other Long-term Debt	<u>4,892,411</u>	<u>4,477,153</u>	<u>415,258</u>
Total Liabilities	<u>11,325,933</u>	<u>12,154,270</u>	<u>(828,337)</u>
<b>Deferred Inflows of Resources</b>			
Pension	106,843	103,599	3,244
OPEB	<u>52,475</u>	<u>-</u>	<u>52,475</u>
Total Deferred Inflows of Resources	<u>159,318</u>	<u>103,599</u>	<u>55,719</u>
<b>Net Position:</b>			
Net Investment in Capital Assets	9,134,021	9,698,957	(564,936)
Unrestricted	(2,555,390)	(2,879,675)	324,285
Restricted	<u>995,897</u>	<u>958,020</u>	<u>37,877</u>
Total Net Position	<u>7,574,528</u>	<u>7,777,302</u>	<u>(202,774)</u>
Total Liabilities, Net Position, and Deferred Inflows of Resources	<u>\$ 19,059,779</u>	<u>\$ 20,035,171</u>	<u>\$ (975,392)</u>

Net position of the District decreased by 2.6 percent, or \$202,774.

June 30, 2018 has been restated to reflect a correction to reduce workers' compensation insurance payable by \$31,296.

**HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

Table 2 presents a comparative statement of revenues, expenses, and changes in net position.

Table 2  
Comparative Statement of Revenues, Expenses, and Changes in Net Position

	<u>2019</u>	<u>2018 (Restated)</u>	<u>Increase (Decrease)</u>
<b>Operating Revenues:</b>			
Rents and Leases	\$ 1,409,868	\$ 1,311,795	\$ 98,073
Slip Rentals	786,301	695,812	90,489
Harbor Improvement Surcharge	81,137	83,403	(2,266)
Other	182,425	182,807	(382)
Total Operating Revenue	<u>2,459,731</u>	<u>2,273,817</u>	<u>185,914</u>
<b>Operating Expenses:</b>			
Salaries, Wages and Benefits	1,322,195	1,317,774	4,421
Depreciation	785,273	793,087	(7,814)
Field Landing Expenses	639	81,570	(80,931)
Professional Services	306,705	369,024	(62,319)
Redwood Terminal 2 Expenses	225,235	292,025	(66,790)
Utilities	530,893	268,312	262,581
Other	802,937	703,978	98,959
Total Operating Expenses	<u>3,973,877</u>	<u>3,825,770</u>	<u>148,107</u>
Operating Income (Loss)	<u>(1,514,146)</u>	<u>(1,551,953)</u>	<u>37,807</u>
<b>Non-Operating Revenue (Expense):</b>			
General Property Taxes	1,105,669	1,045,047	60,622
Investment Income (Loss)	183,399	182,120	1,279
Grants and Other Income	313,489	332,997	(19,508)
Grant Expenses	(34,907)	(112,082)	77,175
Interest Expenses	(242,083)	(247,987)	5,904
Other Non-Operating Expenses	(14,195)	(2,103)	(12,092)
Total Non-Operating Revenue (Expense)	<u>1,311,372</u>	<u>1,197,992</u>	<u>113,380</u>
Increase (Decrease) In Net Position	<u>\$ (202,774)</u>	<u>\$ (353,961)</u>	<u>\$ 151,187</u>

June 30, 2018 has been restated to reflect a correction to reduce workers' compensation insurance payable by \$31,296.

Operating income increased by \$185,914 over the prior year, and operating expenses increased by \$148,107. The increase in utilities was largely due to a change in classification of some expenses that were previously included in rent and lease expense and in Redwood Terminal 2 expenses.

**HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2019**

**NET POSITION OF THE DISTRICT'S ENTERPRISE FUND**

Table 3 presents the net position of the District's one fund, the Enterprise Fund, and an analysis of significant changes in the fund's net position.

Table 3  
Changes in Year-End Net Position

	<b>2019</b>	<b>2018 (Restated)</b>	<b>% Change</b>
Net Position, June 30,	\$ 7,574,528	\$ 7,777,302	(2.61)%

The 2.61 percent decrease is due to increased utilities, and other operating expenses.

Table 4 presents a summary of enterprise fund revenues for the year ended June 30, 2019 and the amounts and percentages of increases and decreases in relation to the prior year.

Table 4  
Summary of Revenues

	2018/19 Amount	Percent of Total	Increase (Decrease) from 2017/18	Percent Increase (Decrease)
Revenues:				
Rents, Leases, Project Administration	\$ 1,409,868	34.71 %	\$ 98,073	7.5 %
Slip Rentals	786,301	19.36 %	90,489	13.0 %
Harbor Improvement Surcharge	81,137	2.00 %	(2,266)	(2.7)%
Other Operating Income	182,425	4.49 %	(382)	(0.2)%
General Property Taxes	1,105,669	27.22 %	60,622	5.8 %
Interest Income	183,399	4.51 %	1,279	0.7 %
Grant and Other Non-Operating Income	313,489	7.72 %	(19,508)	(5.9)%
Total Revenues	\$ 4,062,288	100.00 %	\$ 228,307	6.0 %

Rents and leases increased due to increased revenues from Tidelands leases and Upland rent. Grant revenue varies from year to year based on available grant funding. Interest income increased due to slight increase in interest rate.

**HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

Table 5 presents the variance between the District's budget and the actual results for the fiscal year. The District had no budget modifications during the year, so the final budget and the adopted budget were identical.

Table 5  
Final Budget versus Actual Results  
For the Year Ended June 30, 2019

	Final Budget	Actual	Favorable (Unfavorable) Variance
<b>Operating Revenues:</b>			
Rents and Leases	\$ 1,591,300	\$ 1,409,868	\$ (181,432)
Slip Rentals	910,000	786,301	(123,699)
Harbor Improvement Surcharge	100,000	81,137	(18,863)
Other	233,128	182,425	(50,703)
Total Operating Revenue	<u>2,834,428</u>	<u>2,459,731</u>	<u>(374,697)</u>
<b>Operating Expenses</b>			
Salaries, Wages and Benefits	1,419,508	1,322,195	97,313
Depreciation	-	785,273	(785,273)
Field Landing Expenses	-	639	(639)
Professional Services	360,000	306,705	53,295
Redwood Terminal 2 Expenses	190,000	225,235	(35,235)
Repairs and Maintenance	98,772	169,793	(71,021)
Utilities	347,300	530,893	(183,593)
Other Operating Expenses	263,650	633,144	(369,494)
Total Operating Expenses	<u>2,679,230</u>	<u>3,973,877</u>	<u>(1,294,647)</u>
Operating Income (Loss)	<u>155,198</u>	<u>(1,514,146)</u>	<u>(1,669,344)</u>
<b>Non-Operating Revenue (Expense):</b>			
General Property Taxes	975,000	1,105,669	130,669
Investment Income (Loss)	170,000	183,399	13,399
Grant and Other Non-Operating Income	932,681	313,489	(619,192)
Grant Expenses	(932,681)	(34,907)	897,774
Interest Expenses	(778,987)	(242,083)	536,904
Other Non-Operating Expenses	(278,500)	(14,195)	264,305
Total Non-Operating Revenue (Expense)	<u>87,513</u>	<u>1,311,372</u>	<u>1,223,859</u>
Increase (Decrease) in Net Position	<u>\$ 242,711</u>	<u>\$ (202,774)</u>	<u>\$ (445,485)</u>

**HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2019**

**Final Budget versus Actual Results**

Variances of more than \$100,000 between budgeted and actual amounts were a result of the following:

The unfavorable variance of \$181,432 in rent and lease revenues was due to lower than expected rent revenue from Redwood Terminal 2, Redwood Dock, and Shelter Cove. The unfavorable variance of \$123,699 in slip rentals was due to lower than anticipated slip rents.

The unfavorable variance of \$785,273 in depreciation expense was due to the District's policy of budgeting for actual capital outlay for the year rather than depreciation expense. The unfavorable variance of \$183,593 in utilities expense was due to higher than anticipated expense for water and sewer as well as a change in classifying some expenses to utilities that were previously included in other expenses. The unfavorable variance of \$369,494 in other operating expenses was due to the write off of \$105,521 of uncollectable rents and fees, higher than anticipated costs for elections and county admin fees, higher than anticipated costs for automotive expenses, and higher than anticipated costs for repairs and maintenance.

The favorable variance in property taxes of \$130,669 was due to larger than anticipated increases in property taxes for the year. The unfavorable variance of \$619,192 in grants and other non-operating income was due to grants that were budgeted but not received. This unfavorable variance is offset by a favorable variance of \$897,774 in grant expense. The favorable variance of \$536,904 in interest expense was due to the District including the principal portion of loan payments in the annual budget. The favorable variance of \$264,305 in other non-operating expense was due to capital expenditures that were recorded by the District as capital assets on the balance sheet, not as expenses in the financial statements.

**Capital Assets**

The District's investment in capital assets, net of accumulated depreciation, as of June 30, 2019 was \$11,294,481. The total decrease in net capital assets from the prior year was 5.7 percent. This decrease was due to capital acquisitions being offset by the annual depreciation expense. There were no dispositions of capital assets in fiscal year ended June 30, 2019.

Table 6  
Comparative Schedule of Capital Assets

	<u>June 30, 2019</u>	<u>June 30, 2018</u>
Land, Building and Improvement	\$ 23,004,652	\$ 22,933,649
Automotive Equipment	95,639	95,639
Office and Operating Equipment	3,977,194	3,977,194
Dredging Costs	2,812,988	2,777,752
Marina Restaurant Work-in-progress	34,100	34,100
Subtotals	<u>29,924,573</u>	<u>29,818,334</u>
Less: Accumulated Depreciation	<u>18,630,092</u>	<u>17,844,819</u>
Capital Assets, Net	<u>\$ 11,294,481</u>	<u>\$ 11,973,515</u>

**HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2019**

**Debt Administration**

The District incurred no new long-term debt in 2018/19, except for the refinancing of note payable of Coast Seafoods's. The decrease in net pension liability was a result of a decrease in the District's share of the State-wide CalPERS net pension liability. The District is required to report its proportionate share of that liability in its financial statements. The decrease in Other post-employment benefits was due changes in staff eligible for other post-employment benefits. The ending balances for debts and other long-term liabilities, as of June 30, 2019 and 2018 are presented below in Table 7.

Table 7  
Debt and Other Long-Term Liabilities

	<b>June 30, 2019</b>	<b>June 30, 2018 (Restated)</b>
2014 Refunding Bond	\$ 2,502,519	\$ 2,701,352
Notes Payable to BBVA	1,281,256	1,361,593
Capital Lease Payable	-	5,107
Note Payable to Coast Seafood's	1,156,375	1,156,375
Total Notes payables	4,940,150	5,224,427
 Other Long-Term Liabilities:		
OPEB	394,887	552,198
Net Pension Liability	921,868	941,780
Total	\$ 11,197,055	\$ 11,942,832

**ECONOMIC FACTORS**

Nation-wide and State-wide economic trends that affect the financial condition of the District appear to be slowly improving.

The District's efforts to improve economic conditions include the acquisition and environmental clean-up of the Freshwater Tissue/Redwood Terminal 2 property beginning in 2013/14 and continuing into 2018/19. Redwood Terminal 2 had significant deferred maintenance to buildings and utilities which needed to be addressed in order to attract new tenants to the facility. The District obtained funding through the New Market Tax Credit program which resulted in an estimated \$5 million in renovation and improvements to the site. It is estimated that revenues from tenants at the Redwood Terminal 2 property should increase to over \$500,000 from new tenant leases over the next two years.

The District is also actively marketing cruise lines and other shippers to make Humboldt Bay a port of call, and helping the oyster industry expand through the District's pre-permitting project.

**REQUEST FOR INFORMATION**

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Humboldt Bay Harbor, Recreation and Conservation District, P.O. Box 1030, Eureka, California 95502.

## **BASIC FINANCIAL STATEMENTS**



**HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUND**  
**JUNE 30, 2019**

**ASSETS:**

**CURRENT ASSETS:**

Cash & Cash Equivalents	\$ 322,152
Restricted Cash & Cash Equivalents	995,897
Accounts Receivable, Net	300,575
Interest Receivable	5,500
Prepaid Insurance	<u>1,066</u>
Total Current Assets	<u>1,625,190</u>

**NONCURRENT ASSETS:**

Nondepreciable Capital Assets	5,828,936
Depreciable Capital Assets, Net	5,465,545
Notes Receivable	<u>5,849,375</u>
Total Noncurrent Assets	<u>17,143,856</u>
Total Assets	<u>18,769,046</u>

**DEFERRED OUTFLOWS OF RESOURCES:**

Pension	266,965
OPEB	1,584
Bond Refunding	<u>22,183</u>
Total Deferred Outflows of Resources	<u>290,732</u>

**LIABILITIES:**

**CURRENT LIABILITIES:**

Accounts Payable	159,639
Accrued Wages, Payroll Taxes & Benefit	19,997
Unearned Income	979,093
Environment Remediation Liability	73,147
Accrued Vacation Payable	30,671
Accrued Sick Leave Payable	6,796
Accrued Interest Payable	56,207
Customer Deposits Payable	96,616
Current Portion of Notes Payable	<u>442,626</u>
Total Current Liabilities	<u>1,864,792</u>

**LONG-TERM LIABILITIES:**

Net OPEB Liabilities	394,887
Unearned Income	3,646,862
Net Pension Liabilities	921,868
Notes Payable	<u>4,497,524</u>
Total Noncurrent Liabilities	<u>9,461,141</u>
Total Liabilities	<u>\$ 11,325,933</u>

The accompanying notes are an integral part of these financial statement.

**HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUND**  
**JUNE 30, 2019**

**DEFERRED INFLOWS OF RESOURCES:**

OPEB	\$	52,475
Pension		<u>106,843</u>
Total Deferred Inflows of Resources		<u>159,318</u>

**NET POSITION:**

Net Investment in Capital Assets		9,134,021
Unrestricted		(2,555,390)
Restricted		<u>995,897</u>
Total Net Position	\$	<u><u>7,574,528</u></u>

The accompanying notes are an integral part of these financial statement.

**HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**PROPRIETARY FUND**  
**FOR THE YEAR ENDED JUNE 30, 2019**

**OPERATING REVENUES:**

Sales & Permits	\$	29,493
Slip Rentals		786,301
Rents and Leases		1,409,868
Harbor Improvement Surcharge		81,137
Other Revenue		<u>152,932</u>
Total Operating Revenues		<u>2,459,731</u>

**OPERATING EXPENSES:**

Payroll & Related Cost		1,296,995
Commissioners' Fees		25,200
Accounting & Auditing		50,830
Advertising & Promotion		1,836
Automobile Expenses		49,024
Bad Debt		105,521
Field Landing Expenses		639
Communications		18,431
Conference & Meetings		33,082
Depreciation		785,273
Dues & Subscriptions		67,436
Elections & Property Tax Administration Fee		50,831
Insurance		73,961
Rent and Lease		18,888
Legal & Other Professional Fees		255,875
Office Expenses		40,232
Operating Supplies		51,687
Outside Service		104,046
Redwood Terminal 2 Expenses		225,235
Repairs, Maintenance & Small Tools		169,793
Utilities		530,893
Shelter Cove Expenses		12,542
Other Operating Expenses		<u>5,627</u>
Total Operating Expenses		<u>3,973,877</u>

Operating Income (Loss)		\$ <u>(1,514,146)</u>
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Continued..

The accompanying notes are an integral part of these financial statement.

**HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**PROPRIETARY FUND**  
**FOR THE YEAR ENDED JUNE 30, 2019**

**NON-OPERATING REVENUES (EXPENSES):**

General Property Taxes	\$ 1,105,669
Investment Income (Loss)	183,399
Other Governmental Grant	12,441
Other Non-Operating Income	301,048
Grant Expenses	(34,907)
Interest Expenses	(242,083)
Other Non-Operating Expenses	<u>(14,195)</u>
Total Nonoperating Revenues (Expenses)	<u>1,311,372</u>
<b>CHANGE IN NET POSITION</b>	<b>(202,774)</b>
<b>NET POSITION, BEGINNING</b>	<u>7,746,006</u>
<b>RESTATEMENT</b>	<u>31,296</u>
<b>NET POSITION, BEGINNING, <i>AS RESTATED</i></b>	<u>7,777,302</u>
<b>NET POSITION, ENDING</b>	<u><u>\$ 7,574,528</u></u>

The accompanying notes are an integral part of these financial statement.

**HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUND**  
**FOR THE YEAR ENDED JUNE 30, 2019**

**CASH FLOWS FROM OPERATING ACTIVITIES:**

Receipts from Customers	\$ 2,145,344
Payments to Suppliers	(1,899,827)
Payments to Employees	<u>(1,438,831)</u>
Net Cash Provided (Used) by Operating Activities	<u>(1,193,314)</u>

**CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:**

Taxes for General Operations	1,105,669
Receipt of Grant & Contract Funds from Other Governments	12,441
Expenditures of Grant Funds	(34,907)
Other Nonoperating Receipts	<u>301,048</u>
Net Cash Provided (Used) by Noncapital Financing Activities	<u>1,384,251</u>

**CASH FLOWS FROM CAPITAL & RELATED FINANCING ACTIVITIES:**

Payments to Acquire, Construct & Improve Capital Assets	(106,239)
Principal Payments on Notes Payable & Bonds	(284,277)
Interest Paid	(195,645)
Refunding Bond	4,212
Payments for Other Nonoperating Costs	<u>(14,195)</u>
Net Cash Provided (Used) by Capital & Related Financing Activities	<u>(596,144)</u>

**CASH FLOWS FROM INVESTING ACTIVITIES:**

Interest Received	<u>183,099</u>
Net Cash Provided (Used) by Investing Activities	<u>183,099</u>

INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS (222,108)

CASH & CASH EQUIVALENTS AT BEGINNING OF YEAR 1,540,158

CASH & CASH EQUIVALENTS AT END OF YEAR \$ 1,318,050

**FINANCIAL STATEMENT PRESENTATION RECONCILIATION**

Cash & Cash Equivalents	\$ 322,152
Restricted Cash & Cash Equivalents	<u>995,897</u>
CASH & CASH EQUIVALENTS AT END OF YEAR	<u><u>\$ 1,318,049</u></u>

Continued..

The accompanying notes are an integral part of these financial statement.

**HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUND**  
**FOR THE YEAR ENDED JUNE 30, 2019**

**RECONCILIATION OF OPERATING INCOME (LOSS) TO  
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:**

Operating Income (Loss)	\$ (1,514,146)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:	
Bad Debts	105,521
Depreciation	785,273
Changes in Assets & Liabilities:	
Accounts Receivable	(85,412)
Prepaid Expenses	(14)
Accounts Payable - Related to Operating Activities	(8,204)
Accrued Liabilities	(108,414)
Pension Liability and Deferred Outflows and Inflows of Resources	(33,422)
Unearned Income	(334,496)
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<b><u>\$ (1,193,314)</u></b>

**NONCASH CAPITAL & RELATED FINANCING ACTIVITIES:**

Amortization of Ground Lease	\$ 199,045
Amortization of Bond Premium	\$ 4,212

The accompanying notes are an integral part of these financial statement.

**HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of Humboldt Bay Harbor, Recreation and Conservation District (the District) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

This summary of significant accounting policies of the District is presented to assist in understanding the financial statements. The financial statements and notes are representations of management, who is responsible for their integrity and objectivity. These accounting policies have been consistently applied in the preparation of the financial statements.

**A. Reporting Entity**

The accompanying financial statements include all organizations, activities, and functions that comprise the District. The District has no oversight responsibility over any other governmental unit and is not included in any other governmental "reporting entity" as defined in GASB pronouncements. The District is governed by a five-member Board of Commissioners from the five supervisorial districts in Humboldt County.

**B. Nature of Activities**

The District is a special district created in 1970 by the State of California. The District was formed for the development of Humboldt County's harbors and ports, for the promotion of commerce, navigation, fisheries, and recreation thereon, as well as the protection of the County's natural resources.

**C. Basis of Presentation**

The financial statements required by *GASB Statement No.34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments (GASB No. 34)*, as amended by *GASB Statement No. 63*, include a statement of net position, a statement of revenues, expenses, and changes in net position, and a statement of cash flows.

The District utilizes an enterprise fund, which is a proprietary fund type. Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Enterprise funds account for goods or services that are provided to outside parties. The District has elected to use the reporting model for special-purpose governments engaged only in business-type activities. In accordance with the business-type activities reporting model, the District prepares its statement of cash flows using the direct method.

**D. Measurement Focus/Basis of Accounting**

Measurement focus refers to what is being measured. Basis of accounting refers to the timing of the recognition of revenues and expenditures in the accounts and their reporting in the financial statements. Proprietary fund types are accounted for on an economic resources measurement focus using the accrual basis of accounting in which revenues are recognized when earned and expenses are recognized when the related liabilities are incurred.

**HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**D. Measurement Focus/Basis of Accounting (Cont'd)**

The District distinguishes operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the principal ongoing operations. The principal operating revenues of the District are charges to customers for rents and tidelands leases and harbor improvement surcharges. Operating expenses include the cost of maintaining the marina and tidelands, general and administrative expenses, and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. Other government grants represent non-operating revenues received from other agencies related to harbor projects, including Spartina eradication, homeland security, port access, aquaponics expansion and other initiatives. Other nonoperating income includes the portion of the PG&E funding (see Note 9) that has been recognized. Grant expenses primarily represent nonoperating expenses related to the other government grants nonoperative revenues.

When both restricted and unrestricted resources are available for use, the District uses restricted resources first, then unrestricted resources as they are needed.

**E. Budget and Budgetary Accounting**

The Board of Commissioners adopts a budget annually to be effective July 1st of the ensuing fiscal year. Budgets are adopted on a basis consistent with generally accepted accounting principles. Budgetary data for expenses, as revised, are presented in the accompanying supplementary information.

**F. Allowance for Doubtful Accounts**

The District evaluates the collectability of receivables in order to determine the allowance for doubtful accounts. As of June 30, 2019, the District recorded an allowance for doubtful accounts of \$303,889. Based on historical experience, the District does not expect additional amounts to become uncollectable, however if they are, they will be charged to operations as a bad debt expense. The impact of any bad debt expense recorded in the future is expected to be immaterial to the financial statements.

**G. Cash, Cash Equivalents, and Investments**

Cash and cash equivalents are considered to be all cash on hand, demand deposits, and pooled cash and investments. The pooled cash and investments consists of cash pooled with the Humboldt County Treasurer's Investment Pool and is used as a demand deposit account.

The District follows the authority governing investments for municipal governments set forth in the California Government Code, Sections 53601 through 53659. The County Treasurer's Investment Pool is administered by the County of Humboldt Treasurer's Office and conforms to the California Government Code. The County's portfolio normally consists of U.S. Treasury issues, U.S. Agency agreements, banker's acceptances, and the State of California Local Agency Investment Fund. All cash invested by the County in demand deposit accounts is collateralized to 110 percent with approved U.S. Government securities, such as Treasury Bills and other U.S. Treasury issues.

The fair value of the District's investments in this pool is reported in the accompanying financial statements at amounts based upon the District's pro-rata share of the fair value provided by the County Treasury for the entire County Treasury portfolio.



**HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**H. Capital Assets**

The capitalization threshold for all capital assets is \$2,500. All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Assets that individually may be below threshold amounts are capitalized if collectively they are above the threshold amount.

Depreciation of all exhaustible capital assets is charged as an expense against operations, with accumulated depreciation reflected in the statement of net position. Depreciation has been provided over the estimated useful lives using the straight-line method.

The estimated useful lives are as follows:

<u>Assets class</u>	<u>Useful life</u>
Equipment	3 - 10 Years
Dredging projects	7 Years
Buildings and improvements	20 - 40 Years

**I. Estimates**

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

**J. Net Position**

Net position represents the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources. The District reports three categories of net position, as follows:

Net investment in capital assets - consists of net capital assets reduced by outstanding balances of any related debt obligations and deferred inflows of resources attributable to the acquisition, construction, or improvement of those assets and increased by balances of deferred outflows of resources related to those assets.

Restricted net position - net position is considered restricted if its use is constrained to a particular purpose. Restrictions are imposed by creditors, grantors, contributors, laws, or regulations.

Unrestricted net position - consist of all other net position that does not meet the definition of "net investment in capital assets" or "restricted net position" and is available for general use by the District

**K. Property Taxes**

The lien date for secured property taxes is March 1st of each year. Taxes are levied as of July 1st on all secured real property and are due and payable November 1st and February 1st of the following fiscal year. Humboldt County is responsible for assessing, collecting, and distributing property taxes in accordance with enabling legislation.

**HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**K. Property Taxes (Cont'd)**

Since the passage of California Proposition 13, beginning with fiscal year 1978-79, taxes are based either on a 1% rate applied to the 1975-76 assessed value of the property, or on 1% of the sales price of the property on sales transactions and construction which occur after the 1975-76 assessment. Assessed values on properties (exclusive of increases related to sales transactions and improvements) can rise at a maximum of 2% per year. The amount collected by the County is distributed in accordance with State law to the various public agencies. Therefore, the District does not levy a specific tax rate but receives a share of the property tax revenue based on State formula.

During fiscal year 1993-94, an alternate method of property tax allocation (the "Teeter Plan") was adopted by the County. Under this plan, the county auditor/controller distributes 100 percent of current secured taxes billed to taxing entities during the current year, whether collected or not. The District recognizes property tax revenues on the accrual basis of accounting.

**L. Postemployment Benefits other than Pensions**

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Authority's plan (OPEB Plan) and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

**M. Pensions**

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the District's California Public Employees' Retirement System (CalPERS) plan (the "Plan") and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

**N. Compensated Absences**

All vested vacation is recognized as an expense and as a liability at the anniversary date of hire during the year ended June 30, 2019. The liability for compensated absences is reported as accrued vacation payable. Additionally, 50% of accrued sick hours over 240 is vested and reported as accrued sick leave payable. The accrued vacation payable and accrued sick leave payable are payable from unrestricted current assets.

**NOTE 2 - CASH AND CASH EQUIVALENTS**

The cash and cash equivalents at June 30, 2019 is classified in the accompanying financial statements as follows:

Cash & cash equivalents	\$ 322,152
Restricted cash & cash equivalents	<u>995,897</u>
Total cash and cash equivalents	<u><u>\$ 1,318,049</u></u>

**HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**NOTE 2 - CASH AND CASH EQUIVALENTS (CONT'D)**

Restricted cash and cash equivalents - restricted assets includes accumulated marina dredging surcharge of \$633,450, marina float replacement of \$362,447.

Total cash and cash equivalents at June 30, 2019, consisted of the following:

Cash on hand	\$ 555
Deposits held with financial institutions	72,501
Deposits held with the County Treasurer's Investment Pool	<u>1,244,993</u>
Total cash and cash equivalents	<u>\$ 1,318,049</u>

The District may invest in any obligations, bonds, or securities in accordance with Section 53601 of the California Government Code, provided that the investment is in compliance with any debt covenant.

**Custodial Credit Risk**

Custodial credit risk for deposits is the risk that in the event of a failure by a financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The California Government Code requires that financial institutions secure cash deposits made by state or local governments by pledging securities as collateral. The fair value of the pledged securities must equal at least 110% of the amount deposited by the public agencies. California law also allows financial institutions to secure the District's deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. The District may waive collateral requirements for cash deposits that are fully insured up to \$250,000 by the Federal Deposit Insurance Corporation. The District has not waived the collateralization requirement. The District had deposits with bank balances totaling \$379,033 as of June 30, 2019. The District had no custodial credit risk exposure since its deposits were insured as required by State law.

The custodial credit risk for the County Treasurer's Investment Pool is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of government investment pools.

**Interest Rate Risk**

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. The District does not have a specific policy which relates to interest rate risk.

**Credit risk**

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization; however, the external investment pool with the County Treasury is not rated.

**HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**NOTE 3 - CAPITAL ASSETS**

Changes in capital assets during the year ended June 30, 2019, are as follows:

	<u>June 30, 2018</u>	<u>Additions</u>	<u>Adjustments</u>	<u>June 30, 2019</u>
<b>Nondepreciable Capital Assets :</b>				
Land	\$ 5,701,609	\$ 52,596	\$ (262,226)	\$ 5,491,979
Dredging Costs (Old Harbor)	215,227	-	87,630	302,857
Capital Work-in-progress (Marina)	34,100	-	-	34,100
<b>Total Nondepreciable Capital Assets</b>	<u>5,950,936</u>	<u>52,596</u>	<u>(174,596)</u>	<u>5,828,936</u>
<b>Depreciable Capital Assets :</b>				
Building and Improvement	17,232,040	18,407	262,226	17,512,673
Automotive Equipment	95,639	-	-	95,639
Office and Operating Equipment	3,977,194	-	-	3,977,194
Dredging Costs	2,562,525	35,236	(87,630)	2,510,131
<b>Total Depreciable Capital Assets</b>	<u>23,867,398</u>	<u>53,643</u>	<u>174,596</u>	<u>24,095,637</u>
<b>Accumulated Depreciation :</b>				
Accumulated Depreciation	(17,844,819)	(785,273)	-	(18,630,092)
<b>Total Accumulated Depreciation</b>	<u>(17,844,819)</u>	<u>(785,273)</u>	<u>-</u>	<u>(18,630,092)</u>
<b>Net Depreciable Capital Assets</b>	<u>6,022,579</u>	<u>(731,630)</u>	<u>174,596</u>	<u>5,465,545</u>
<b>Total Capital Assets, Net</b>	<u>\$ 11,973,515</u>	<u>\$ (679,034)</u>	<u>\$ -</u>	<u>\$ 11,294,481</u>

Total depreciation expense charged to operations for the year ended June 30, 2019 was \$785,273.

**HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**NOTE 4 - NOTES PAYABLE**

The following is a schedule of the changes in notes payable for the fiscal year ended June 30, 2019:

	Balance June 30, 2018	Additions	Deletion	Classification		
				Balance June 30, 2019	Current Portion	Long-Term Portion
Refunding Bonds Series 2014	\$ 2,701,352	\$ -	\$ (198,833)	\$ 2,502,519	\$ 207,068	\$2,295,451
Coast Seafood's Line of Credit	1,156,375	-	-	1,156,375	150,324	1,006,051
Compass BBVA Bank Loan	1,361,593	-	(80,337)	1,281,256	85,234	1,196,022
Capital Lease Obligation	5,107	-	(5,107)	-	-	-
<b>Total</b>	<b>\$ 5,224,427</b>	<b>\$ -</b>	<b>\$ (284,277)</b>	<b>\$ 4,940,150</b>	<b>\$ 442,626</b>	<b>\$ 4,497,524</b>

**Refunding of Debt:**

On December 22, 2014, the District issued \$3,333,674 in revenue bonds with an interest rate of 4.1 percent, to refund \$2,180,000 of outstanding 2004 revenue bonds with an average interest rate of 5.42 percent and \$1,241,382 of notes payable to the California Department of Boating and Waterways with an interest rate of 4.5 percent. The bonds are secured by net revenues of the District. The District used \$217,702 of proceeds from the debt service reserve fund on the 2004 revenue bonds to fund the refunding issuance costs and reduce the balance borrowed on the 2014 refunding bonds. The District used \$43,600 of the proceeds from the refunding to pay a call premium on the refunding. The call premium is recorded as a deferred outflow of resources and amortized as interest expense over the 15-year term of the bonds.

The annual requirements to amortize the outstanding bonds payable, as of June 30, 2019 are as follows:

Year Ending June 30	Principal	Interest	Total
2020	207,068	100,502	307,570
2021	215,645	91,926	307,571
2022	224,577	82,993	307,570
2023	233,879	73,691	307,570
2024	243,567	64,004	307,571
2025 - 2029	1,377,783	160,070	1,537,853
<b>Total</b>	<b>\$ 2,502,519</b>	<b>\$ 573,186</b>	<b>\$ 3,075,705</b>

**HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**NOTE 4 - NOTES PAYABLE (CONT'D)**

**Coast Seafood's Line of Credit:**

The District has a letter of credit agreement with Coast Seafood's Company for up to \$1.25 million. As of June 30, 2018, the District had an outstanding balance of \$1.16 million borrowed from Coast Seafood's Company, at 3.5% annual interest. The loan maturity date was June 2018. The District has negotiated to extend the loan term for a period of 10 years beginning the first day of December 2018. Interest rate on new loan is 4.5% annual interest rate. The primary purpose of original letter of credit was to procure funds for the removal of pulp processing liquors mill in the state of Washington, which began in April 2014 and completed in September 2014. The District pledged collateral of interest in all of the revenue assets of district set forth above as may be evidence by a Line of Credit Instrument, Security Agreement, Assignment of Leases and Rents, Fixture.

As of June 30, 2019, future debt service related to this loan are as follow:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 150,324	\$ 47,272	\$ 197,596
2021	100,600	42,837	143,437
2022	105,221	38,198	143,419
2023	110,055	33,346	143,401
2024	115,110	28,271	143,381
2025-2029	575,065	57,956	633,021
Total	<u>\$ 1,156,375</u>	<u>\$ 247,880</u>	<u>\$ 1,404,255</u>

**Compass BBVA Bank Loan:**

During the year ended June 30, 2016, the District borrowed \$1,560,000 from Compass BBVA Bank, at a 5.99% annual interest rate. Payments of principal and interest are due semi-annually with the first payment due July 1, 2016. The loan matures on July 1, 2030. In conjunction with this loan, the District entered into an installment sale agreement and pledged all net revenues as collateral with Compass BBVA Bank for the payment of this obligation.

As of June 30, 2019, future debt service related to this loan are as follow:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	85,234	75,502	160,736
2021	90,416	70,320	160,736
2022	95,914	64,823	160,737
2023	101,745	58,992	160,737
2024	107,931	52,806	160,737
2025 - 2029	646,432	157,251	803,683
2030 - 2031	153,584	6,943	160,527
Total	<u>\$ 1,281,256</u>	<u>\$ 486,637</u>	<u>\$ 1,767,893</u>

**HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**NOTE 4 - NOTES PAYABLE (CONT'D)**

**Capital Lease:**

During the year ended June 30, 2016, the District entered into a tractor equipment lease, requiring four annual payments of \$5,387. Interest is imputed at a 5.5% annual rate. As of June 30, 2019 the lease obligation had been completely paid off and settled.

**NOTE 5 - OTHER POSTEMPLOYMENT BENEFITS**

During the fiscal year ended June 30, 2014, the District revised the personnel policies. Under the revised personnel policies, the District provides post-retirement health care benefits, in accordance with state statute, to all employees hired before December 1, 2011, who retire from the District on or after attaining age fifty-five with at least ten years of service up until age sixty-five or when the retired employee is first eligible for Medicare, whichever is later. Employees forced to retire due to disability may retire at any age with at least five years of service.

**Plan Description**

The District administers a single-employer defined benefit healthcare plan, which provides healthcare insurance for eligible retirees and their spouses. The District pays 100% of the health insurance premiums for retired employees with a minimum of ten years of service and who have reached a minimum of fifty-five years of age up until age sixty-five. The District pays 50% of the health insurance premiums for the retiree spouse who must enroll in Medicare, if eligible. Any employee hired after December 1, 2011, will not be eligible for retiree health insurance.

Following is a table of plan participants:

	<u>Number of Participants</u>
Inactive Employees Receiving Benefits	4
Participating Active Employees	2
Total Number of participants	6

**Funding Policy**

The District funds post-employment health benefits on a pay-as-you-go basis. For the fiscal year ended June 30, 2019, the District's contributions for post-employment health benefit costs were \$80,688.

**Annual OPEB Cost and Net OPEB Obligation**

The District's Net OPEB Liability was measured as of June 30, 2019 and the Total OPEB Liability used to calculate the Net OPEB Liability was determined by an actuarial valuation as of June 30, 2019.

**HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**NOTE 5 - OTHER POSTEMPLOYMENT BENEFIT (CONT'D)**

**Actuarial Methods and Assumptions:**

The total OPEB liability was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Cost Method	Entry-age actuarial cost method
Discount Rate	3.50%
Inflation	2.75%
Salary Increases	2.75% per annum, in aggregate
Investment Rate of Return	3.80%
Mortality Rate (1)	Derived using 2014 CalPERS Active Mortality for Miscellaneous Employees study
Pre-Retirement Turnover (2)	Derived using 2009 CalPERS Turnover for Miscellaneous Employees stud
Healthcare Trend Rate	4.00%

**Information Related to Assumptions and Other Inputs**

Following is the table, the assumptions are based upon.

Mortality	<p>2014 CalPERS Active Mortality for Miscellaneous Employees</p> <p>The mortality assumptions are based on the 2014 CalPERS Active Mortality for Miscellaneous Employees table created by CalPERS. CalPERS periodically studies mortality for participating agencies and establishes mortality tables that are modified versions of commonly used tables. This table incorporates mortality projection as deemed appropriate based on CalPERS analysis.</p> <p>The mortality assumptions are based on the 2014 CalPERS Retiree Mortality for Miscellaneous Employees table created by CalPERS. CalPERS periodically studies mortality for participating agencies and establishes mortality tables that are modified versions of commonly used tables. This table incorporates mortality projection as deemed appropriate based on CalPERS analysis.</p>
Retirement	<p>2009 CalPERS 2.0%@55 Rates for Miscellaneous Employees</p> <p>The retirement assumptions are based on the 2009 CalPERS 2.0%@55 Rates for Miscellaneous Employees table created by CalPERS. CalPERS periodically studies the experience for participating agencies and establishes tables that are appropriate for each pool.</p>
Turnover	<p>2009 CalPERS Turnover for Miscellaneous Employees</p> <p>The turnover assumptions are based on the 2009 CalPERS Turnover for Miscellaneous Employees table created by CalPERS. CalPERS periodically studies the experience for participating agencies and establishes tables that are appropriate for each pool.</p>

For other assumptions, actual plan provisions and plan data were used.

The alternative measurement method was not used in this valuation.



**HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**NOTE 5 - OTHER POSTEMPLOYMENT BENEFIT (CONT'D)**

**Discount Rate**

The discount rate estimates investment earnings for assets earmarked to cover retiree health benefit liabilities. The discount rate depends on the nature of underlying assets for funded plans. The rate used for a funded plan is the real rate of return expected for plan assets plus the long term inflation assumption. For an unfunded plan, the discount rate is based on an index of 20 year General Obligation municipal bonds. For partially funded plans, the discount rate is a blend of the funded and unfunded rates.

**Changes in Net OPEB Liability**

Changes in Net OPEB Liability as of June 30, 2019 was as follows:

<u>Determination of Net OPEB Liability</u>	<u>For the Year Ending June 30, 2019</u>
Service Cost	\$ 20,986
Interest on Total OPEB Liability	19,794
Employer Contribution as Benefit Payments	(83,586)
Experience Gains/Losses	(118,069)
Changes in Assumptions	<u>3,564</u>
Net Changes during 2018-19	(157,311)
Net OPEB Liability - beginning of year	<u>552,198</u>
Net OPEB Liability - end of year	<u><u>\$ 394,887</u></u>

**Sensitivity of the net OPEB Liability to Changes in the Discount Rate**

Sensitivity of the net OPEB liability to changes in the discount rate. The following presents the net OPEB liability, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (2.50 percent) or 1-percentage-point higher (4.50 percent) than the current discount rate:

	<u>Discount Rate 1% Lower</u>	<u>Valuation Discount Rate</u>	<u>Discount Rate 1% Higher</u>
Net OPEB Liability	<u>\$ 407,057</u>	<u>\$ 394,887</u>	<u>\$ 383,191</u>

**Sensitivity of the net OPEB Liability to Changes in the Healthcare Cost Trend Rates**

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates. The following presents the net OPEB liability, as well as what the net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (3.00 percent) or 1-percentage-point higher (5.00 percent) than the current healthcare cost trend rates.

	<u>Trend 1% Lower</u>	<u>Valuation Trend</u>	<u>Trend 1% Higher</u>
Net OPEB Liability	<u>\$ 384,175</u>	<u>\$ 394,887</u>	<u>\$ 405,153</u>

**HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**NOTE 5 - OTHER POSTEMPLOYMENT BENEFIT (CONT'D)**

**OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

For the year ended the District recognized OPEB expense/(income) of \$(22,834).

At June 30, 2019 the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Experience gains and Losses	-	52,475
Changes of assumptions	1,584	-
Total	<u>1,584</u>	<u>52,475</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year ended June 30</u>	<u>Deferred Outflow/ (Inflows) of Resources</u>
2020	\$ (50,891)
2021	-
2022	-
2023	-
2024	-
Thereafter	-
Total	<u>\$ (50,891)</u>

**NOTE 6 - PENSION PLAN**

**A. General Information about the Pension Plan**

**Plan Description**

All qualified permanent and probationary employees are eligible to participate in the Public Agency Cost-Sharing Multiple-Employer Defined Benefit Pension Plan (the Plan), administered by the California Public Employees' Retirement System (CalPERS). The Plan's benefit provisions are established by statute. The Plan is included as a pension trust fund in the CalPERS Comprehensive Annual Financial Report, which is available online at [www.calpers.ca.gov](http://www.calpers.ca.gov).

The Plan consists of a miscellaneous pool and a safety pool (referred to as "risk pools"), which are comprised of individual employer miscellaneous and safety rate plans, respectively, including those of the Humboldt Bay Harbor Recreation and Conservation District. The Humboldt Bay Harbor Recreation and Conservation District's employer rate plans in the miscellaneous risk pool include the Miscellaneous plan (Miscellaneous) and the PEPRA Miscellaneous plan (PEPRA Misc.). The Humboldt Bay Harbor Recreation and Conservation District does not have any rate plans in the safety risk pool.

**HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**NOTE 6 - PENSION PLAN (CONT'D)**

**Benefits Provided**

The Plan provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Classic members and PEPRA Safety members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. PEPRA Miscellaneous members with five years of total service are eligible to retire at age 52 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after five years of service. The death benefit is the Basic Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The Plan's provisions and benefits in effect at June 30, 2019 are summarized as follows:

**Employer Rate Plans in the Miscellaneous Risk Pool**

<u>Employer rate plan</u>	<u>Miscellaneous Prior to January 01, 2013</u>	<u>PEPRA Misc. On or After January 1, 2013</u>
Benefit formula	2.0% @ 55	2.0% @ 62
Benefit vesting schedule	5 years' service	5 years' service
Benefit payments	Monthly for life	Monthly for life
Retirement age	50	52
"Monthly benefits, as a % of eligible compensation"	2.418%	1.0% to 2.5%
"Required employee contribution rates"	6.886%	6.25%
"Required employer contribution rates"	8.377%	6.555%

**Contributions Description**

Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers are determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS' annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. Employer contribution rates may change if plan contracts are amended. Payments made by the employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contribution requirements are classified as plan member contributions.

The Humboldt Bay Harbor Recreation and Conservation District's contributions to Miscellaneous Risk Pool plan for the year ended June 30, 2019, was \$54,414.

**B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions**

As of June 30, 2019, Humboldt Bay Harbor Recreation and Conservation District reported net pension liability \$921,868 for its proportionate share of net pension liability of the Miscellaneous Risk Pool.

The proportionate share of the total NPL to each of the enterprise and internal service funds is not being allocated because it is deemed to have an immaterial effect on the financial statements.

**HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**NOTE 6 - PENSION PLAN (CONT'D)**

The Humboldt Bay Harbor Recreation and Conservation District's net pension liability for each risk pool is measured as the proportionate share of each risk pool's net pension liability. GASB 68 indicates that to the extent different contribution rates are assessed based on separate relationships that constitute the collective net pension liability, the determination of the employer's proportionate share of the collective net pension liability should be made in a manner that reflects those relationships. The allocation method used by CalPERS to determine each employer's proportionate share reflects those relationships through the employer rate plans they sponsor within the respective risk pools. An actuarial measurement of the employer's rate plan liability and asset-related information are used where available, and proportional allocations of individual employer rate plan amounts as of the valuation date are used where not available.

As of June 30, 2019, Humboldt Bay Harbor Recreation and Conservation District's reported net pension liabilities for its proportionate share of the CalPERS net pension liability totaling \$921,868. The net pension liability was measured as of June 30, 2018. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members.

For the measurement period ended June 30, 2018 (the measurement date), the total pension liability was determined by rolling forward the June 30, 2017 total pension liability determined in the June 30, 2017 actuarial accounting valuation.

The Humboldt Bay Harbor Recreation and Conservation District's proportionate share percentage of the net pension liability for each risk pool was as follows:

Proportion - June 30, 2018	0.023890 %
Proportion - June 30, 2019	<u>0.024460 %</u>
Change - Increase/(Decrease)	<u>0.000570 %</u>

For the year ended June 30, 2019, the District recognized pension expense of \$96,115. At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 35,370	\$ 12,036
Change in Assumptions	105,096	25,758
Differences Between Projected and Actual Investment Earnings	4,557	-
Change in Employer's Proportion	67,528	-
Differences Between Employer's Contributions and Proportionate Share of Contributions	-	69,049
Contributions Subsequent to Measurement Date	54,414	-
Total	<u>\$ 266,965</u>	<u>\$ 106,843</u>

**HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**NOTE 6 - PENSION PLAN (CONT'D)**

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Measurement Date June 30	Deferred Outflows/ (Inflows) of Resources
2020	\$ 89,563
2021	50,688
2022	(26,249)
2023	(8,292)
2024	-
Thereafter	-
Total	<u>\$ 105,710</u>

**Subsequent Events**

There were no subsequent events that would materially affect the results presented in this disclosure.

**Amortization of Deferred Outflows and Deferred Inflows of Resources**

Under GASB 68, gains and losses related to changes in total pension liability and fiduciary net position are recognized in pension expense systematically over time.

The first amortized amounts are recognized in pension expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to pensions and are to be recognized in future pension expense.

The amortization period differs depending on the source of the gain or loss:

Net Difference between projected and actual earnings on pension plan investments      5 year straight-line amortization

All other amounts      Straight-line amortization over the expected average remaining service lifetime (EARSL) of all members that are provided with benefits (active, inactive, and retired) as of the beginning of the measurement period

**HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**NOTE 6 - PENSION PLAN (CONT'D)**

**Actuarial Methods and Assumptions Used to Determine Total Pension Liability**

Total pension liability for the plan was determined by applying update procedures to a financial reporting actuarial valuation as of June 30, 2017, and rolling forward the total pension liability to June 30, 2018. The financial reporting actuarial valuation as of June 30, 2017, used the following methods and assumptions, applied to all prior periods included in the measurement:

Actuarial Cost Method	Entry Age Normal in accordance with the requirements of GASB Statement No. 68
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Salary Increases	Varies by Entry Age and Service
Mortality Rate Table <sup>1</sup>	Derived using CalPERS' Membership Data for all Funds
Post-retirement Benefit Increases	Contract COLA up to 2.50% until Purchasing Power Protection Allowance Floor on Purchasing Power applies,

<sup>1</sup> The mortality table used was developed based on CalPERS-specific data. The table includes 15 years of mortality improvements using Society of Actuaries 90% of scale MP 2016. For more details on this table, please refer to the December 2017 experience study report (based on CalPERS demographic data from 1997 to 2015) that can be found on the CalPERS website.

All other actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study for the fiscal years 1997 to 2011, including updates to salary increase, mortality and retirement rates. The Experience Study report can be obtained at CalPERS' website.

**Discount Rate**

The discount rate used to measure the total pension liability was 7.15 percent. To determine whether the municipal bond rate should be used in the calculation of the discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. The tests revealed the assets would not run out. Therefore, the current 7.15 percent discount rate is appropriate and the use of the municipal bond rate calculation is not deemed necessary. The long-term expected discount rate of 7.15 percent is applied to all plans in the Public Employees' Retirement Fund (PERF). The cash flows used in the testing were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. The stress test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained at CalPERS website under the GASB 68 section.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

**HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**NOTE 6 - PENSION PLAN (CONT'D)**

In determining the long-term expected rate of return, staff took into account both short-term and long-term market return expectations as well as the expected pension fund (PERF) cash flows. Taking into account historical returns of all the Public Employees Retirement Funds' asset classes (which includes the agent plan and two cost-sharing plans or PERF A, B, and C funds), expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each PERF fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The table below reflects long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. The target allocation shown was adopted by the Board effective on July 1, 2014.

<u>Asset Class</u>	<u>Current Target Allocation</u>	<u>Real Return Years 1 - 10<sup>1</sup></u>	<u>Real Return Years 11+<sup>2</sup></u>
Global Equity	50.0 %	4.80 %	5.98 %
Global Fixed Income	28.0 %	1.00 %	2.62 %
Inflation assets	- %	0.77 %	1.81 %
Private Equity	8.0 %	6.30 %	7.23 %
Real Estate	13.0 %	3.75 %	4.93 %
Liquidity	1.0 %	- %	(0.92)%
Total	<u>100 %</u>		

<sup>1</sup> An expected inflation of 2.00% used for this period.

<sup>2</sup> An expected inflation of 2.92% used for this period.

**Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate**

The following presents the Humboldt Bay Harbor Recreation and Conservation District's proportionate share of the net pension liability of the each risk pool as of the measurement date, calculated using the discount rate, as well as what the Humboldt Bay Harbor Recreation and Conservation District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower or 1 percentage-point higher than the current rate:

	<u>Discount Rate Less 1% (6.15%)</u>	<u>Current Discount (7.15%)</u>	<u>Discount Rate plus 1% (8.15%)</u>
Proportionate share of the Miscellaneous Risk Pool's net pension liability	\$ <u>1,551,582</u>	\$ <u>921,868</u>	\$ <u>402,049</u>

**HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**NOTE 6 - PENSION PLAN (CONT'D)**

**Pension Plan Fiduciary Net Position**

Detailed information about the pension plan's fiduciary net position is available in the separately issued CalPERS financial report.

Additional financial and actuarial information required for GASB Statement No. 68 disclosures is located in CalPERS' CAFR for the fiscal year ended June 30, 2018, and the CalPERS' GASB 68 Accounting Valuation Report for the schools cost-sharing multiple-employer defined benefit pension plan, which can be found on CalPERS' website at <https://www.calpers.ca.gov/docs/forms-publications/gasb-68>.

**NOTE 7 - RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District maintains commercial coverage covering each of those risks of loss. There have been no significant reductions in insurance coverage from the prior year. Management believes such coverage is sufficient to preclude any significant uninsured losses to the District. Settled claims have not exceeded this coverage in any of the past three years.

**NOTE 8 - NEW MARKET TAX CREDIT TRANSACTION**

The District is a sponsor of New Markets Tax Credits (NMTC) to support redevelopment in distressed communities. The New Markets Tax Credit Program (NMTC Program) was established by Congress in 2000 to spur new or increased investments in operating businesses and real estate projects located in low-income communities.

The District, in collaboration with Chase Bank (Bank), entered into various agreements to provide for the completion of the Humboldt Bay Eco-Industrial Park project, consisting of renovations and improvements to property in Samoa, Humboldt County, California. As part of the NMTC Program transaction, a new independent entity, Humboldt Bay Development Association, Inc. (HBDA) a not-for-profit organization, was formed to participate under the Federal NMTC guidelines and to complete the project improvements. Also, pursuant to NMTC Program requirements, several financial intermediaries were established to finance the project. HBDA's construction costs are projected to be approximately \$5.20 million.

As required under the NMTC agreements with these entities, the District loaned the Chase NMTC Samoa Investment Fund, LLC \$5,849,375 and within the NMTC structure invested \$398,057 in cash to the transaction. Within the structure of the NMTC transaction, this \$398,057 cash investment was offset by a \$565,000 reimbursement from HBDA for project costs incurred by the District prior to the NMTC closing, and the funds to provide the loan to Chase NMTC Samoa Investment Fund, LLC were obtained through proceeds in the amount of \$3,906,000 for a long-term ground lease of the Samoa property to HBDA and from a \$1,560,000 loan obtained from Compass BBVA Bank.

The District's leveraged loan receivable from Chase NMTC Samoa Investment Fund, LLC bears interest of 2.7481% and is receivable in quarterly interest-only payments from June 10, 2016 through March 10, 2023; thereafter principal and interest payments are due until March 10, 2046. As of June 30, 2019, the balance of the loan receivable was \$5,849,375.



**HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**NOTE 8 - NEW MARKET TAX CREDIT TRANSACTION (CONT'D)**

The District recorded the ground lease as unearned revenue in the liabilities section of its balance sheet, and will recognize operating income over the course of the lease. The District recognized \$60,092 of operating revenue during the year ended June 30, 2019, for a remaining balance of unearned income as of June 30, 2019 of \$3,706,955.

To fund HBDA's initial cost of the ground lease and the remaining project costs to be incurred by HBDA, within the NMTC structure New Markets Community Capital XVII, LLC and CNMC SUT-CDE 69, LLC loaned HBDA funds totaling \$8,680,000. In addition, the District and HBDA signed lease agreements under which the District is leasing-back the Samoa, California property from HBDA for the District's operations related to that asset.

As of June 30, 2019, unearned income consisted of:

Unearned HBDA ground lease income - current	\$ 60,092
Unearned PG&E dredge-related income (Note 9)	732,324
Unearned lease income (outfall pipe, tidelands, slip rentals and warehouse)	186,677
Total unearned income - current	979,093
Unearned HBDA ground lease income - long-term	3,646,862
Total unearned income	\$ 4,625,955

**NOTE 9 - COMMITMENTS AND CONTINGENCIES**

**Environmental Protection Agency (EPA) Settlement Agreement**

In June 2015, the District signed a settlement agreement with the EPA related to the approximately \$13.3 million of costs the EPA incurred to clean-up Parcel A on the Samoa peninsula (the site). The agreement stipulates that the District will pay all or a portion of this liability from the salvage of fixtures and equipment at the site, or from the potential sale of the property. The obligation to reimburse the EPA from net proceeds of a sale of any real property within the site shall not apply to the property for any sale that occurs at least seven years after August 26, 2015, the date of the agreement. The District has not recorded this liability as the obligation is not payable until a sale occurs.

**PG&E Agreement**

During 2014, Pacific Gas and Electric (PG&E) paid the District \$2.0 million for the specific purpose of procuring dredging equipment, financing initial start-up and training of District personnel, and reuse or disposal of dredged material. As part of the agreement, the District has committed to perform a one-time dredging of certain real property owned by PG&E and located near King Salmon known as Fisherman's Channel. The District assumes responsibility for the dredging activities and repair work of Fisherman's Channel, and upon completion of these contract terms, the District will obtain ownership of the Fisherman's Channel. As of June 30, 2019, \$732,324 of the PG&E funding has not been used and is recorded as unearned income on the statement of net position. The District believes the PG&E grant will cover the costs associated with this commitment. This represents a significant management estimate and actual results could differ.

**HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**NOTE 10 - SUBSEQUENT EVENTS**

The District's management has evaluated subsequent events through February 21, 2020, which is the date the financial statements were available to be issued, and concluded that no additional adjustments to the financial statements or disclosures, except as subsequently noted, are required for the year ending June 30, 2019.

**NOTE 11 - PRIOR PERIOD ADJUSTMENTS**

Net position previously reported, June 30, 2018	\$ 7,746,006
Restatement for the effects of Payroll liabilities:	
Correct Prepaid Worker's Compensation	<u>31,296</u>
Net position, as restated, June 30, 2018	<u><u>\$ 7,777,302</u></u>

## REQUIRED SUPPLEMENTARY INFORMATION

**HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT**  
**SCHEDULE OF PROPORTIONATE SHARE OF THE NET OPEB LIABILITY**  
**JUNE 30, 2019**

<u>Measurement Period, June 30</u>	<u>2019</u>	<u>2018</u>
Service Cost	\$ 20,986	\$ 19,877
Interest on Total OPEB Liability	19,794	21,313
Employer Contribution as Benefit Payments	(83,586)	(80,371)
Experience Gains/Losses	(118,069)	-
Changes in Assumptions	<u>3,564</u>	<u>-</u>
Change in net OPEB Liability	(157,311)	(39,181)
Net OPEB Liability - Beginning of Year, As Restated	<u>552,198</u>	<u>591,379</u>
Net OPEB Liability - End of Year	<u>\$ 394,887</u>	<u>\$ 552,198</u>
Covered Employee Payroll	\$ 276,928	\$ 376,937
Total OPEB Liability as a Percentage of Covered Employee Payroll	142.60 %	146.50 %

**NOTE TO SCHEDULE**

The District's retiree healthcare plan had no assets accumulated in a trust that meets the criteria in Governmental Accounting Standards Board Statement no. 75, paragraph 4.

Changes in assumptions - There were no changes in assumptions for the measurement period ended June 30, 2019.

There are no statutorily or contractually established contribution requirements.

Historical information is required only for measurement periods for which GASB 75 is applicable. Future years' information will be displayed up to 10 years as information becomes available.

**HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT**  
**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE**  
**NET PENSION LIABILITY FOR THE LAST TEN YEARS \***  
**CALIFORNIA PUBLIC EMPLOYEES RETIREMENT SYSTEM**  
**JUNE 30, 2019**

	<u>June 30, 2015</u>	<u>June 30, 2016</u>	<u>June 30, 2017</u>	<u>June 30, 2018</u>	<u>June 30, 2019</u>
Plan's Proportion of the PERF C Net Pension Liability/(Asset)	0.008534 %	0.007965 %	0.009023 %	0.009500 %	0.009570 %
Plan's Proportionate Share of the Net Pension Liability /(Asset)	\$ 531,034	\$ 546,685	\$ 780,795	\$ 941,780	\$ 921,868
Plan's Covered-Employee Payroll	\$ 730,490	\$ 871,775	\$ 863,258	\$ 794,364	\$ 889,228
Plan's Proportionate Share of the Net Pension Liability/(Asset) as Percentage of Covered-Employee Payroll	72.70 %	62.71 %	90.45 %	118.56 %	103.67 %
Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Total Pension Liability	83.19 %	83.38 %	80.01 %	77.50 %	78.81 %

\* Fiscal Year 2015 was the first year of implementation, therefore only 5 years are shown.

**HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT**  
**SCHEDULE OF CONTRIBUTIONS FOR THE LAST TEN YEARS\***  
**CALIFORNIA PUBLIC EMPLOYEES RETIREMENT SYSTEM**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>
Actuarially Determined Contributions	\$ 68,939	\$ 75,091	\$ 83,233	\$ 53,870	\$ 54,414
Actual Contributions During the Measurement Period	<u>(68,939)</u>	<u>(75,091)</u>	<u>(83,233)</u>	<u>(53,870)</u>	<u>(54,414)</u>
Contribution Deficiency (Excess)	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>
Covered-Employee Payroll	\$ 730,490	\$ 871,775	\$ 863,258	\$ 794,364	\$ 889,228
Contributions as a Percentage of Covered Employee Payroll	9.44 %	8.61 %	9.64 %	6.78 %	6.12 %

\* Fiscal Year 2015 was the first year of implementation, therefore only 5 years are shown.

## **SUPPLEMENTARY INFORMATION**

**HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT**  
**STATEMENT OF REVENUES AND EXPENSES -**  
**UNRESTRICTED AND TIDELANDS TRUST**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	<u>Unrestricted</u>	<u>Tidelands Trust</u>	<u>Total</u>
<b>OPERATING REVENUES:</b>			
Sales and Permits	\$ 28,197	\$ 1,296	\$ 29,493
Slip Rentals	-	786,301	786,301
Utility Charges	-	70,154	70,154
Rents and Concessions	142,555	88,948	231,503
Rents - Tidelands Leases	-	394,772	394,772
Rents - Redwood Terminal 2	582,552	-	582,552
Late Fees and Interest on Past Due Accounts	30,414	18,647	49,061
Fields Landing Fees and Rents	201,041	-	201,041
Harbor Improvement Surcharge	-	81,137	81,137
Other Revenue	6	33,711	33,717
	<u>984,765</u>	<u>1,474,966</u>	<u>2,459,731</u>
Total Operating Revenues			
<b>OPERATING EXPENSES:</b>			
Salaries and Wages	215,679	637,486	853,165
Commissioners' Fees	5,040	20,160	25,200
Imputed Auto Value	265	754	1,019
Payroll Benefits	93,477	349,334	442,811
Advertising & Promotion	451	1,385	1,836
Bad Debt	4,161	101,360	105,521
Communications	6,262	12,169	18,431
Conference & Meetings	15,402	17,680	33,082
Dues & Subscriptions	25,397	42,039	67,436
Elections	25,416	25,415	50,831
Insurance	29,524	44,437	73,961
Automotive Expenses	17,157	31,867	49,024
Office Expenses	12,613	27,619	40,232
Operating Supplies	9,916	41,771	51,687
Outside Services	13,930	90,116	104,046
Professional Services	71,391	145,621	217,012
Legal Fees	13,535	25,328	38,863
Accounting Fees	16,167	34,663	50,830
Rents and Leases	18,888	-	18,888
Repairs and Maintenance	83,346	86,447	169,793
Small Tools	1,138	4,333	5,471
Utilities	344,411	186,482	530,893
Redwood Dock Expenses	-	156	156
Redwood Terminal 2 Expenses	7,075	218,160	225,235
Fields landing Operating Expenses	639	-	639
Sheltor Cove Operating Expenses	8,011	4,531	12,542
Depreciation	785,273	-	785,273
	<u>1,824,564</u>	<u>2,149,313</u>	<u>3,973,877</u>
Total Operating Expenses			
Operating Income (Loss)	<u>\$ (839,799)</u>	<u>\$ (674,347)</u>	<u>(1,514,146)</u>



**HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT**  
**STATEMENT OF REVENUES AND EXPENSES -**  
**UNRESTRICTED AND TIDELANDS TRUST**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	<u>Unrestricted</u>	<u>Tidelands Trust</u>	<u>Total</u>
<b>NONOPERATING REVENUES:</b>			
Investment Income	\$ 169,640	\$ 13,759	\$ 183,399
General Property Taxes	1,105,669	-	1,105,669
Federal Revenues	57	-	57
Other Government Grants	-	12,384	12,384
Other	88,817	212,231	301,048
	<u>1,364,183</u>	<u>238,374</u>	<u>1,602,557</u>
Total Nonoperating Revenues:			
<b>NONOPERATING EXPENSES:</b>			
Interest	173,758	68,325	242,083
Grant Expenses	-	34,907	34,907
Other	10,807	3,388	14,195
	<u>184,565</u>	<u>106,620</u>	<u>291,185</u>
Total Nonoperating Expenses:			
Net Nonoperating Revenues and Expenses	<u>1,179,618</u>	<u>131,754</u>	<u>1,311,372</u>
CHANGE IN NET POSITION	339,819	(542,593)	(202,774)
<b>NET POSITION, BEGINNING OF YEAR, AS RESTATED</b>	<u>9,549,607</u>	<u>(1,772,305)</u>	<u>7,777,302</u>
<b>NET POSITION, END OF YEAR</b>	<u><u>\$ 9,889,426</u></u>	<u><u>\$ (2,314,898)</u></u>	<u><u>\$ 7,574,528</u></u>

**HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT**  
**STATEMENT OF REVENUES AND EXPENSES -**  
**MARINA AND GENERAL**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	Marina	General	Total
<b>OPERATING REVENUES:</b>			
Sales & Permits	\$ 8,037	\$ 21,456	\$ 29,493
Rents and Concessions	61,095	170,408	231,503
Slip Rentals	499,302	24,137	523,439
Rents - Tidelands Leases	-	394,773	394,773
Rents - Redwood Terminal 2	-	582,551	582,551
Late Fees and Interest	15,212	33,850	49,062
Fields Landing Fees and Rents	-	201,040	201,040
Harbor Improvement Surcharge	-	81,137	81,137
Dredging Surcharge	104,892	-	104,892
Float Replacement Surcharge	69,573	-	69,573
Transient Rentals	87,008	1,390	88,398
Utility Charges	63,005	7,149	70,154
Other Revenues	10,434	23,282	33,716
	<u>918,558</u>	<u>1,541,173</u>	<u>2,459,731</u>
Total Operating Revenues			
<b>OPERATING EXPENSES:</b>			
Salaries and Wages	289,624	563,541	853,165
Commissioners' Fees	4,410	20,790	25,200
Imputed Auto Value	-	1,019	1,019
Payroll Benefits	149,732	293,079	442,811
Advertising & Promotion	678	1,157	1,835
Bad Debt	-	105,521	105,521
Communications	2,892	15,539	18,431
Conference & Meetings	1,397	31,684	33,081
Dues & Subscriptions	-	67,436	67,436
Elections	-	50,831	50,831
Insurance	29,241	44,721	73,962
Automotive Expenses	4,887	44,137	49,024
Office Expenses	3,798	36,433	40,231
Operating Supplies	12,251	39,436	51,687
Outside Services	6,669	97,377	104,046
Professional Services	1,119	215,893	217,012
Legal Fees	20,064	18,799	38,863
Accounting Fees	10,886	39,944	50,830
Rents and Leases	-	18,888	18,888
Repairs, Maintenance & Small Tools	51,915	117,878	169,793
Utilities	243,603	287,291	530,894
Redwood Dock Expenses	-	156	156
Redwood Terminal 2 Expenses	-	225,235	225,235
Small Tools	2,387	3,085	5,472
Fields landing Operating Expenses	-	639	639
Sheltor Cove Operating Expenses	-	12,542	12,542
Depreciation	214,790	570,483	785,273
	<u>1,050,343</u>	<u>2,923,534</u>	<u>3,973,877</u>
Total Operating Expenses			
Operating Income (Loss)	\$ <u>(131,785)</u>	\$ <u>(1,382,361)</u>	\$ <u>(1,514,146)</u>

**HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT**  
**STATEMENT OF REVENUES AND EXPENSES -**  
**MARINA AND GENERAL**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	<b>Marina</b>	<b>General</b>	<b>Total</b>
<b>NONOPERATING REVENUES:</b>			
Interest	\$ -	\$ 183,400	\$ 183,400
General Property Taxes	-	1,105,669	1,105,669
Federal Revenues	-	57	57
Other Governmental Grants	-	12,384	12,384
Other	6,814	294,233	301,047
Total Nonoperating Revenues:	6,814	1,595,743	1,602,557
<b>NONOPERATING EXPENSES:</b>			
Interest	40,535	201,548	242,083
Grant Expenses	231	34,675	34,906
Other	150	14,046	14,196
Total Nonoperating Expenses:	40,916	250,269	291,185
Net Nonoperating Revenues and Expenses	(34,102)	1,345,474	1,311,372
<b>CHANGE IN NET POSITION</b>	<b>\$ (165,887)</b>	<b>\$ (36,887)</b>	<b>\$ (202,774)</b>

**HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT**  
**STATEMENT OF REVENUES AND EXPENSES -**  
**BUDGET TO ACTUAL - MARINA**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	<u>Marina</u>		<b>Variance Favorable (Unfavorable)</b>
	<u>Budget</u>	<u>Actual</u>	
<b>OPERATING REVENUES:</b>			
Sales & Permits	\$ 21,200	\$ 8,037	\$ (13,163)
Rents and Concessions	168,000	61,095	(106,905)
Slip Rentals	650,000	499,302	(150,698)
Rents - Redwood Terminal 2	-	-	-
Transient Rentals	100,000	87,008	(12,992)
Dredging Surcharge	95,000	104,892	9,892
Float Replacement Surcharge	65,000	69,573	4,573
Utility Charges	100,000	63,005	(36,995)
Late fees and Interest	10,000	15,212	5,212
Other Revenues	-	10,434	10,434
	<u>1,209,200</u>	<u>918,558</u>	<u>(290,642)</u>
<b>OPERATING EXPENSES:</b>			
Salaries and Wages	193,158	289,624	(96,466)
Commissioners' Fees	-	4,410	(4,410)
Payroll Benefits	118,473	149,732	(31,259)
Advertising & Promotion	3,000	678	2,322
Bad Debt	-	-	-
Communications	6,000	2,892	3,108
Conference & Meetings	3,000	1,397	1,603
Dues & Subscriptions	10,000	-	10,000
Elections	5,000	-	5,000
Insurance	30,000	29,241	759
Automotive Expenses	-	4,887	(4,887)
Office Expenses	16,000	3,798	12,202
Operating Supplies	6,000	12,251	(6,251)
Outside Service	-	6,669	(6,669)
Professional Services	-	1,119	(1,119)
Legal Fees	5,000	20,064	(15,064)
Accounting Fees	10,000	10,886	(886)
Repairs, Maintenance & Small Tools	25,772	51,915	(26,143)
Utilities	160,000	243,603	(83,603)
Small Tools	-	2,387	(2,387)
Depreciation	-	214,790	(214,790)
	<u>591,403</u>	<u>1,050,343</u>	<u>(458,940)</u>
Operating Income (Loss)	<u>\$ 617,797</u>	<u>\$ (131,785)</u>	<u>\$ (749,582)</u>

**HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT**  
**STATEMENT OF REVENUES AND EXPENSES -**  
**BUDGET TO ACTUAL - MARINA**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	<u>Marina</u>		<b>Variance Favorable (Unfavorable)</b>
	<u>Budget</u>	<u>Actual</u>	
<b>NONOPERATING REVENUES:</b>			
General Property Taxes	\$ -	\$ -	\$ -
Other	-	6,814	6,814
Total Nonoperating Revenues:	<u>-</u>	<u>6,814</u>	<u>6,814</u>
<b>NONOPERATING EXPENSES:</b>			
Grant Expenses	-	231	(231)
Interest	262,200	40,535	221,665
Capital Expenditure	119,500	-	119,500
Other	-	150	(150)
Total Nonoperating Expenses:	<u>381,700</u>	<u>40,916</u>	<u>340,784</u>
Net Nonoperating Revenues and Expenses	<u>(381,700)</u>	<u>(34,102)</u>	<u>(347,598)</u>
<b>CHANGE IN NET POSITION</b>	<u>\$ 236,097</u>	<u>\$ (165,887)</u>	<u>\$ (401,984)</u>

**HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT**  
**STATEMENT OF REVENUES AND EXPENSES -**  
**BUDGET TO ACTUAL - GENERAL**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	<b>General</b>		
	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>OPERATING REVENUES:</b>			
Sales & Permits	\$ 138,600	\$ 21,456	\$ (117,144)
Slip Rentals	-	24,137	24,137
Rents and Concessions	182,000	170,408	(11,592)
Rents - Tidelands Leases	273,000	394,773	121,773
Rents - Redwood Terminal 2	710,228	582,551	(127,677)
Late Fees and Interest	10,000	33,850	23,850
Fields Landing Fees and Rents	178,900	201,040	22,140
Harbor Improvement Surcharge	100,000	81,137	(18,863)
Transient Rentals	-	1,390	1,390
Utility Charges	-	7,149	7,149
Other Revenues	-	23,282	23,282
Total Operating Revenues	<u>1,592,728</u>	<u>1,541,173</u>	<u>(51,555)</u>
<b>OPERATING EXPENSES:</b>			
Salaries and Wages	642,826	563,541	79,285
Commissioners' Fees	24,000	20,790	3,210
Imputed Auto Value	-	1,019	(1,019)
Payroll Benefits	441,051	293,079	147,972
Advertising & Promotion	6,000	1,157	4,843
Bad Debt	-	105,521	(105,521)
Communications	7,000	15,539	(8,539)
Conference & Meetings	25,000	31,684	(6,684)
Dues & Subscriptions	40,000	67,436	(27,436)
Elections	20,000	50,831	(30,831)
Insurance	30,000	44,721	(14,721)
Automotive Expenses	6,500	44,137	(37,637)
Office Expenses	25,150	36,433	(11,283)
Operating Supplies	25,000	39,436	(14,436)
Outside Services	-	97,377	(97,377)
Professional Services	250,000	215,893	34,107
Legal Fees	55,000	18,799	36,201
Accounting Fees	40,000	39,944	56
Rents and Leases	190,000	18,888	171,112
Repairs, Maintenance & Small Tools	73,000	117,878	(44,878)
Utilities	187,300	287,291	(99,991)
Redwood Dock Expenses	-	156	(156)
Redwood Terminal 2 Expenses	-	225,235	(225,235)
King Salmon Operating Expenses	-	3,085	(3,085)
Fields landing Operating Expenses	-	639	(639)
Sheltor Cove Operating Expenses	-	12,542	(12,542)
Depreciation	-	570,483	(570,483)
Total Operating Expenses	<u>2,087,827</u>	<u>2,923,534</u>	<u>835,707</u>
Operating Income (Loss)	<u>\$ (495,099)</u>	<u>\$ (1,382,361)</u>	<u>\$ (887,262)</u>

**HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT**  
**STATEMENT OF REVENUES AND EXPENSES -**  
**BUDGET TO ACTUAL - GENERAL**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	<u>General</u>		
	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>NONOPERATING REVENUES:</b>			
Interest	\$ 170,000	\$ 183,400	\$ 13,400
General Property Taxes	975,000	1,105,669	130,669
Federal Revenues	-	57	57
Other Governmental Grants	932,681	12,384	(920,297)
Other	-	294,233	294,233
Total Nonoperating Revenues:	<u>2,077,681</u>	<u>1,595,743</u>	<u>(481,938)</u>
<b>NONOPERATING EXPENSES:</b>			
Interest	-	201,548	(201,548)
Grant Expenses	932,681	34,675	898,006
Capital Expenditure	159,000	-	159,000
Other	-	14,046	(14,046)
Total Nonoperating Expenses:	<u>1,091,681</u>	<u>250,269</u>	<u>841,412</u>
Net Nonoperating Revenues and Expenses	<u>986,000</u>	<u>1,345,474</u>	<u>359,474</u>
<b>CHANGE IN NET POSITION</b>	<u>\$ 490,901</u>	<u>\$ (36,887)</u>	<u>\$ (527,788)</u>

## COMPLIANCE SECTION



**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Commissioners  
Humboldt Bay Harbor, Recreation and Conservation District  
Eureka, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities of Humboldt Bay Harbor, Recreation and Conservation District (the District), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated February 21, 2020.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency* in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Harshwal & Company LLP*

Oakland, California  
February 21, 2020

**HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE YEAR ENDED JUNE 30, 2019**

**SECTION I - SUMMARY OF AUDITOR'S RESULTS**

**Financial Statements**

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
• Material weakness(es) identified?	No
• Significant deficiency(ies) identified that are not considered to be material weakness?	None reported
• Noncompliance material to financial statements noted?	No

**SECTION II. - FINANCIAL STATEMENTS FINDINGS**

There are no findings in the current year report.

**HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT  
STATUS OF PRIOR YEAR'S FINDINGS AND RESPONSES  
FOR THE YEAR ENDED JUNE 30, 2019**

No matters were reported in prior years.

HUMBOLDT BAY HARBOR DISTRICT	
RESTRICTED CASH	
6/30/19	
	Marina
	Dredging
	Surcharge
Balance, 6/30/18	617,563.32
Activity, FYE 6/30/19:	
Total Collections thru February	65,655.74
Estimated collections, March - June	32,830.00
Total Expenditures	(82,598.88)
Other Adjustments	
Balance, 6/30/19	633,450.18
<u>DETAIL OF EXPENDITURES</u>	
Dredge expense (Accts. 55608, 55708, and 56718)	(35,236.13)
Engineering Fees	
Jul - Sept	(10,068.71)
Oct - Nov	(756.45)
Dec - Mar	(2,770.00)
April - May	(9,135.00)
June	(7,057.50)
Total Engineering	(29,787.66)
Planning Fees	
Jul - Aug	(4,611.00)
Sept - Dec	(4,140.00)
Jan - Mar	(5,215.00)
April	(990.00)
May	(2,389.09)
June	(230.00)
Total Planning Fees	(17,575.09)
Total, FYE 6/30/19	(82,598.88)

## COMMISSIONERS

1<sup>st</sup> Division  
Larry Doss  
2<sup>nd</sup> Division  
Greg Dale  
3<sup>rd</sup> Division  
Stephen Kullmann  
4<sup>th</sup> Division  
Richard Marks  
5<sup>th</sup> Division  
Patrick Higgins

**Humboldt Bay**  
**Harbor, Recreation and Conservation District**  
(707)443-0801  
P.O. Box 1030  
Eureka, California 95502-1030



**STAFF REPORT – HARBOR DISTRICT MEETING**  
**April 23, 2020**

**TO:** Honorable Board President and Harbor District Board Members

**FROM:** Larry Oetker, Executive Director

**DATE:** April 16, 2020

**TITLE:** **Consider Authorizing Staff to Release a Request for Proposals for 2020 Woodley Island Marina Dredging**

**STAFF RECOMMENDATION:** Staff recommends the Board authorize staff to release a request for proposals for 2020 Woodley Island Marina dredging.

**BACKGROUND:** Severe storms in May 2019 resulted in the declaration of a federal emergency for Humboldt County and other areas. Due to the storms, there was 26,032 cubic yards (cy) more shoaling at Woodley Island Marina than in a typical year. In September-October 2019, the District conducted dredging at the marina. Due to the declared emergency, the Federal Emergency Management Agency (FEMA) and California Office of Emergency Services (CalOES) are reimbursing the District for the Woodley Island Marina portion of the 2019 dredging event. Additionally, FEMA/CalOES will fund the removal of 7,192 cy of material which must be removed from the marina in 2020 or the District will not be reimbursed.

After reimbursement from FEMA/CalOES for 2019 dredging, the Dredge Fund will have an estimated balance of approximately \$695,000. The Dredge Fund is comprised of Dredge Surcharge Fees collected and other funds the District Board deposits. The actual Dredge Fund income, expenditures, and balances are included in the District's annual audit. The Board has adopted a long-term dredging strategy and the Dredge Subcommittee recommends that the proposed 2020 dredging event be consistent with the District's planned dredging program to maximize the benefits.

**DISCUSSION:** The District's Dredge Subcommittee developed a recommendation regarding the proportion of the Dredge Fund that should be used for dredging in 2020. District staff recommends that the Board direct staff to release a request for proposals for 2020 dredging based on the subcommittee's recommendation.

Dredging will occur in 2020 using FEMA/CalOES funding and there are potential benefits if the District adds funds for additional dredging. For example, mobilization/demobilization costs could be shared between FEMA/CalOES and the District. However, the following items also need to be considered:

- Dredging projects that remove less than approximately 11,000 cy can deliver the sediment to existing “clarifier” containments systems at Redwood Marine Terminal II which are permitted. Dredging a larger amount of material typically requires disposal at the Humboldt Open Ocean Disposal Site (HOODS). Mobilization of equipment that will deliver material to Redwood Marine Terminal II is substantially cheaper than mobilization of equipment that will dispose of material at HOODS.
- The District has been pursuing regulatory approvals to dredge using suction methods, which will be cheaper than the currently permitted clamshell bucket dredging methods. If the District reserves funds until suction dredging can be used, then more material can be removed from the marina for the same amount of money.
- The District is coordinating with the property owners of the Town of Samoa to complete dredge sediment engineering testing and analysis to determine what it will take to beneficially use suction dredged material as construction fill for sea level rise adaptation.
- In 2019, dredging removed material from portions of the fairways between Marina Docks C-G. There is approximately 11,000 cy of material above design depth that remains in these fairways. There would be value in completing dredging in these fairways.

With consideration of the items described above, the District Dredge Subcommittee has the following recommendations:

- Keep the 2020 dredging volume at a level that can be delivered to Redwood Marine Terminal II utilizing existing permitted structures that do not require significant capital investment (i.e., less than approximately 11,000 cy).
- If dredging bids are favorable, then combine District and CalOES funds to remove a total of approximately 11,000 cy from the fairways between Marina Docks C-G. Specifically, FEMA/CalOES would fund removal of 7,192 cy and the District would fund the remainder.
- Retain the majority of the Woodley Island Marina Dredging Fund with a goal of completing permitting and implementing suction dredging in 2021.

Future dredging decisions will need to remain fluid to respond to changing regulatory requirements, uncertain dredging funds/costs and other factors. The actual costs per cubic yard, cubic yards of material removed and funding sources will likely vary from what is projected. However, the following table puts the District Dredging Subcommittee’s recommendation (Phase 2) in context of the District’s longer-term goals for dredging the Marina. Based on projections, approximately 25,000 cubic yards of additional material could be removed if the District does a smaller event this year and gets permits to utilize the suction dredge in 2021.

Phase	Year	Cost and Source	Cost / Cubic Yard	Cubic Yards	Method
1	2019	\$582,874 (FEMA/CalOES)	\$31	18,840	Clamshell
2	2020	\$222,952 (FEMA/CalOES) \$118,048 (District)	\$31 \$31	7,192 3,808	Clamshell
3	2021	\$800,000 (WIM Dredging Fund)	\$20	40,000	Suction

4	2022	\$700,000 (WIM Dredging Fund, General Fund and RMT II Revenue)	\$20	35,000	Suction
5	2024	\$700,000 (WIM Dredging Fund, General Fund)	\$20	35,000	Suction

Notes: (1) Except for 2019, all figures are estimates. (2) Dollar amounts do not reflect permitting, sediment sampling/testing, planning or mitigation costs.



## COMMISSIONERS

1<sup>st</sup> Division

Larry Doss

2<sup>nd</sup> Division

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## **STAFF REPORT - HARBOR DISTRICT MEETING**

**April 23, 2020**

**TO:** Honorable Board President and Harbor District Board Members

**FROM:** Larry Oetker, Executive Director

**DATE:** April 16, 2020

**TITLE:** Consideration of Initial 2020-21 District Budget Preparation Schedule

**RECOMMENDATION:** It is recommended that the Board: Direct Staff to implement the proposed 2020-21 Budget Preparation Schedule.

**INTRODUCTION:** The Budget is prepared annually under direction of the Executive Director. In accordance with CA Harbors and Navigation Code Section 6093, on or before June 15, the District Board shall estimate and determine the amount of money required by the Harbor District and shall adopt a preliminary budget. Per Section 6093.3, the final budget shall be reported to the Board of Supervisors no later than August 1<sup>st</sup>.

**DISCUSSION:** Staff recommends that the following schedule be utilized to go through goals, revenue, and expenditures by programmatic activity. These series of meeting would double as strategy sessions which would be used by the Board, Executive Director and District Staff to get a clear understanding of where each activity is at financially and what we can reasonably accomplish within our financial means. As an alternative, the Board could appoint a Budget Subcommittee to work with staff to prepare the budget and bring the complete budget to the Board for approval.

<b>Date</b>	<b>Meeting Type</b>	<b>Purpose</b>
May 28	Regular	A) Review Preliminary Budget with Preliminary Goals, Income, and Expenditures: <ol style="list-style-type: none"> <li>1. Redwood Marine Terminal I</li> <li>2. Redwood Marine Terminal II</li> <li>3. Shelter Cove</li> </ol> B) Review the Fee Schedule
June 11	Special	A) Preliminary Goals, Income, and Expenditures: <ol style="list-style-type: none"> <li>1. Woodley Island Marina</li> <li>2. Fields Landing Boat Yard</li> <li>3. Dredging</li> </ol> B) Adopt Preliminary Budget
June 25	Regular	A) Preliminary Goals, Income, and Expenditures: <ol style="list-style-type: none"> <li>1. Port Operations</li> <li>2. Conservation and Recreation Programs</li> <li>3. Administrative Services</li> <li>4. General Operating and Staffing</li> <li>5. Follow up discussion from previous budget meeting topics</li> </ol> B) Adopt Final Budget, Fee Schedule and Staffing Allocations
July 9	Special	Budget Review (If Necessary)
July 23	Regular	Final Budget Review, Adoption and Transmission to Board of Supervisors

**HUMBOLDT BAY HARBOR, RECREATION  
AND CONSERVATION DISTRICT**

**PERMIT**

**Permit No. 13-03**

**601 Startare Drive  
Woodley Island Marina  
P O Box 1030  
Eureka, CA 95502-1030**

**PERMITTEE:**

**Humboldt Bay Harbor District  
601 Startare Drive  
Eureka, CA 95501**

**AGENT**

**Adam Wagschal  
Deputy Director  
707-443-0801**

**PROJECT**

**Humboldt Bay Mariculture Pre-Permitting Project**

The Board of Commissioners of the **Humboldt Bay Harbor, Recreation and Conservation District** hereinafter referred to as "**District**", having considered the Application herein, number 13-03, received by the **District** on May 3, 2013, and the **Humboldt Bay Harbor, Recreation and Conservation District**, hereinafter referred to as "**Permittee**", and the Board of Commissioners of the **District** having on February 25, 2016, passed Resolution No. 2016-04 establishing findings relative to the Application by the **Permittee** for the Humboldt Bay Mariculture Pre-Permitting Project provided for in this Permit, the **Permittee** is hereby authorized to perform the work of improvement, as more particularly described in the Application filed with the **District**.

You are hereby authorized to perform work of improvement described in the Permit Application as modified by the revised project description depicted in Attachment A of **Permittee** consisting of:

Installation and operation of subtidal shellfish nurseries and macro-algae culture.

That the location of the proposed work of improvement shall be located in Humboldt County, California, in Humboldt Bay adjacent to the Samoa Peninsula.

**SUBJECT TO THE FOLLOWING TERMS AND CONDITIONS:**

1. That all work authorized by this Permit shall further be subject to the approval of the following public agencies:
  - A. U.S. Army Corps of Engineers
  - B. California Coastal Commission
  - C. North Coast Regional Water Quality Control Board

and you shall fully comply with all regulations and conditions affecting such work as imposed by the above agencies.

2. That there shall be no unreasonable interference with navigation by the work herein authorized.
3. That no attempt shall be made by the **Permittee** to interfere or forbid the full and free use by the public of all navigable waters at or adjacent to the work.
4. That the mitigation measures described in the Final Environmental Impact Report for the Humboldt Bay Mariculture Pre-Permitting Project are made conditions of this permit by reference:
5. That this Permit, if not previously revoked or specifically extended, shall cease and be null and void and terminate on the 25th day of February 2017. This permit may be extended in annual increments for up to a total of nine (9) years at the discretion of the **District**.
6. That the Board of Commissioners of the **District** may revoke this Permit at any time upon a finding by the **District** of a violation by the **Permittee** of any condition of this Permit.
7. That the **Permittee** shall comply with any regulations, condition, or instructions affecting the work hereby authorized if and when issued by the Federal Water Pollution Control Administration and/or the State of California Water Resources Control Agency having jurisdiction to abate or prevent water pollution. Such regulations, conditions, or instruction in effect or prescribed by Federal or State Agencies are hereby made a condition of this Permit.
8. That **Permittee** shall furnish to the **Humboldt Bay Harbor, Recreation and Conservation District** a written annual progress report and upon completion, a written completion report describing the completion of the project. **Permittee** shall at all times notify the **Humboldt Bay Harbor, Recreation and Conservation District** in writing of all locations, including new locations, in Humboldt Bay, that **Permittee** proposes to install the uses permitted herein, prior to said installation.
9. That this Permit is valid as of the 25<sup>th</sup> day of February 2016, and is made subject to the **Permittee** approving and agreeing to the conditions above set forth and executing said approval as hereinafter provided.

EXECUTED on this 25<sup>th</sup> day of February 2016, by authority of the Board of Commissioners of the **Humboldt Bay Harbor, Recreation and Conservation District**.

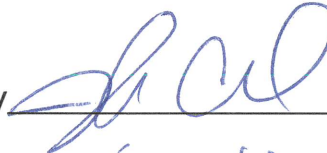


**PATRICK HIGGINS, President  
Board of Commissioners  
Humboldt Bay Harbor, Recreation and  
Conservation District**

**The Humboldt Bay Harbor, Recreation and Conservation District, Permittee**, in the above Permit, hereby accepts and agrees to all of the conditions hereinabove set forth.

Dated: February 25th, 2016

Humboldt Bay Harbor, Recreation and  
Conservation District

By  \_\_\_\_\_

Title Executive Director